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NEWS SUMMARY

Embassy siege deadlines pass

The three gunmen holding about 20 people at the Iranian embassy in London released one British hostage and allowed two deadlines they had set to pass.

The Iranian Arabs threatened to blow up the the embassy if the Iranian Goverment did not agree to free 91 jailed Arab separatists and grant autonomy to oil-rich Khuzestan province.

Iran's Foreign Minister Sadeq Qotbzadeh gave the British Goverment authority to deal with the siege, and Iran's President Aholhassan Bani-Sadr said he was prepared to see the London hostages die rather than yield to the demands.

Mr. Qotbzadeh theratened to execute one of the 91 Arab prisoners for each hostage harmed.

The gunmen released Chris Cramer, a BBC newsman, one of four Britons being held. He was taken to hospital suffering from stomach trouble.

Outside the embassy, more than 250 demonstrators, mostly Iranian, chanted pro-Khomeini slogans and clashed with police.

As tension grew in Tehran, British missionary Jean Waddell, secretary to the Anglican Bishop, was shot and seriously wounded. Iran trade, Back Page: 'Air strike,' Page 4

GENERAL

New alert on Libyan assassins

Sir Antony Acland, a deputy Under-Secretary of State at the Foreign Office, has held secret talks in Tripoli following an alert that more opponents of Colonel Muammar Gadaffy could be assassinated.

Two opponents, both Libyans, have been killed in London in the past three weeks. Back Page

May Day boycott

Diplomatic representatives of at least 15 countries boycotted the annual May Day parade in Moscow because of the Soviet invasion of Afghanistan. Page 2; Tel Aviv and Cairo rallies, Page 5

Kabul deaths

At least 16 people have been killed and 40 wounded in clashes in Kabul between Afghan security forces and anti - Marxist students and teachers. Page 5

Swiss arrests

Swiss police made 14 arrests when crowds tried to break through security cordons as the Queen and Prince Philip visited a Basle exhibition.

Assault charge

NOBEL Peace Prize winner and co-founder of the Ulster Peace People Betty Williams was charged at Uxbridge magistrate's court with disorderly behaviour and assaulting a policeman at Heathrow. She was remanded to Holloway prison.

U.S. aids Cubans

President Carter ordered the U.S. Navy to help vessels packed with refugees from Cuba heading for Florida. More than 3,500 Cubans have arrived so far.

Appeal move

British businessman John Smith, sentenced early this year to 20 years by Iraqi authorities for attempted bribery, may appeal, the Foreign Office said.

Gorilla tactics

Two mean wearing gorilla masks and armed with a sawn-off shotgun and a pistol seized £40,000 from a British Rail office at Ossett, West Yorks.

Briefly . . .

The Pope flies to Zaire today to start a 10-day African tour.

Girl aged three fell from a 13th floor flat in Seoul, South Korea, but was caught by her mother.

Prince Charles suffered facial injuries when he was thrown from his horse during polo practice.

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

BUSINESS

Sterling up; Equities strengthen

● STERLING rose 17 points to close at $2.2602 and it trade-weighted index rose to 72.9 (72.6). DOLLAR was also slightly firmer, rising to DM 1.8020 (DM 1.8) and Y240.25 (Y239.1) and remaining unchanged at SwFr 1.6675. Its index was unchanged at 86.8. Page 30

● EQUITIES strengthened again after initial caution in most sectors. The FT 30-share index, after falling 3.2 at 11 a.m., closed 2.8 up at 443.2. Page 40

● WALL STREET was 10.23 down at 806.83 shortly before the close.

● GOLD declined $17 in London to close at $497.5. in parallel with a fall in silver. In New York, the Comex May close was $515.4 ($501.75). Page 39

● COCOA continued to fall in London. The July position ended £31.5 down at £1,201.5 a tonne.

● SHORT GILTS recovered after early profit-taking. Longs were quieter. The Government Securities index rose 0.05 to 67.27. Page 40

● CONSUMER spending in the UK rose in the first three months of this year to equal last summer's record. Back Page

● JAPAN and West Germany agreed to use each other's currencies to stabilise their value on foreign exchange markets.

● ROLLS-ROYCE is working on an advanced, 33,000 lb thrust version of its RB-211 engine to power an even bigger Boeing 747. Page 8

● WERELDHAVE, the Dutch property developer that acquired 600,000 sq ft of offices in New York last year, is to set up a new U.S. subsidiary.

● GEORGE WIMPEY'S pre-tax profits for last year fell to £47.3m from £51.2m on turnover of £1bn (£853m). Page 24; Lex, Back Page

● HOECHST, West Germany's biggest chemical company, raised pre-tax profits by 40 per cent to DM 1.76bn (£429m). Page 34

● AUSTRALIAN Guarantee Corporation, Australia's largest finance company, saw earnings grow more slowly in the March half-year, with pre-tax profits up to A$27.5m (£13.4m) on turnover up 14.3 per cent to A$3.13bn. Page 35

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Excheq. 10pc 1983	£88¼	+ 2
Treas. 13¼pc 2004-08 (£20 pd.)	£21½	+ ½
Aberdeen Cons.	97	+ 7
Alexanders Discount	238	+ 5
Assed. Paper	40	+ 3
BAT Inds.	251	+ 6
Boot (H.)	140	+ 28
Cater Ryder	310	+ 15
Davies and Newman	130	+ 15
European Ferries	130	+ 7
Gerrard and Natnl.	232	+ 8
Henderson (P. C.) A	140	+ 22
House of Fraser	150	+ 7
Hunting Gibson	105	+ 15
Le Vallonet	41	+ 5
Marshall Cavendish	17	+ 2
Mercantile House	193	+ 8
Pennine Commercl.	8¼	+ 1½
Ransomes Sims	167	+ 7
Sirdar	88	+ 6
Smith St. Aubyn	130	+ 8
Telephone Rentals	214	+ 9
Union Discount	415	+ 20
Vaux	150	+ 4
Carless Capel	132	+ 11
LASMO	572	+ 25
Ultramar	672	+ 18
N. Broken Hill	151	+ 5

FALLS

Lootrim	15	− 13
Wimpey (George)	69	− 3
Guthrie	750	− 25
Doornfontein	553	− 23
Hemerdon Mining	140	− 20
Leichardt Explor.	235	− 25
RTZ	360	− 8
St. Helena	£14½	− ½

Government in row over £2m 'transfer fee' for steel chief

BY JOHN ELLIOTT AND RICHARD EVANS

A major political row broke out last night over the Government's unexpected agreement to pay up to nearly £2m to a New York investment bank in return for being allowed to appoint Mr. Ian MacGregor, 67, to the chairmanship of the losing British Steel Corporation.

Mr. MacGregor is a Scottish-born American industrialist and financier who has not worked full time in the UK since 1945.

He has been appointed after a year-long hunt for a chairman. Sir Keith Joseph, the Industry Secretary, said yesterday that the unique financial arrangement had been negotiated only after "two younger British industrialists" had rejected the job.

The New York investment bank which will receive the money is Lazard Frères, of which Mr. McGregor is a general partner.

He will remain an associate partner, which means he will share in the bank's profits, and therefore in the money paid by the Government, which will be related to BSC's performance.

A statement to the Commons by Sir Keith Joseph, the Industry Secretary, on the financial arrangements was greeted with incredulity by MPs.

Conservative back-benchers were stunned, and there were hoots of laughter and derision from Labour MPs as the details unfolded.

What is ominous for the Government is that criticism is not confined to the Opposition benches. Senior Conservative back-benchers were openly rebellious over the adoption of what they regarded as a bizarre arangement that could be gravely embarrassing to the Government.

In addition, there were indications that details were not

British Steel at crossroads and Profits, Page 10: Lazard Freres payment and Parliamentary row, Page 15

disclosed to the full Cabinet. Mrs. Margaret Thatcher certainly knew of the arrangements, but many Ministers were as surprised and stunned as back-benchers.

Sir Keith, already one of the most controversial members of Mrs. Thatcher's team, will inevitably become the target for further attack, and his political judgment will be called into question.

He is to appear before the Tory back-bench Industry Committee at Westminster on Tuesday to defend his decision, and all the evidence is that he will have a hostile reception.

But it is improbable that any attempt can be mounted in Parliament by the Opposition to block the appointment.

Sir Keith made clear that he did not need legislation or separate Parliamentary authority for the "transfer fee" to Lazard Frères as the cost would be borne on the Department of Industry budget.

But Sir Keith was clearly not entirely happy with the arrangements even though he tried to present them as essential to obtain Mr. MacGregor's "unique and outstanding services." He also stressed that he believed in people being rewarded for success.

"There was no way in which we could have obtained the services of this quite outstanding man for BSC without coming to some arrangement with Lazard Frères," he said.

Asked if he was happy with the arrangement, he hesitated

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Unions not immune over May 14, Thatcher says

BY CHRISTIAN TYLER, LABOUR EDITOR

A LEGAL challenge to the TUC's call for a day of protest on May 14 against Government policies was mounted yesterday as the Prime Minister confirmed that trade unionists were not protected from civil suits for such action.

Express Newspapers issued a writ against five union officials, designed to prevent disruption of the Daily Express and Evening Standard on the day. Its application for an injunction will be heard in the High Court on Tuesday morning.

The Atorney-General is being asked in the Commons to prosecute Mr. Len Murray, TUC general secretary, and TUC general council members for "inciting breaches of contract between workers and their employers on May 14."

If the reply to that question, being tabled by Mr. Michael Grylls a Conservative, is negative, one or more companies may bring an action.

An unidentified UK tour operator, trying to bring 400 clients back into Britain on that day, has been planning to sue the National Union of Railwaymen, according to the Institute of Directors. The institute has called on employers to bring cases for recovery of damages.

It said a big industrial company had taken legal advice after boardroom discussions. It would not name the company.

These events seem certain to stir up controversy and give the TUC's political protest greater publicity.

Major employer bodies have given their members no encouragement to take legal action. The Engineering Employers Federation condemned the institute's "aggressive attitude."

In the Commons, Mrs Margaret Thatcher said the day of action did not qualify as a trade dispute. Therefore, unionist legal immunity conferred for breaches of employment or commercial contracts did not apply.

Directions or advice given by publishing unions mean national newspapers are unlikely to appear on May 14, and could be disrupted for a further day.

Express Newspapers, after the Newspaper Publishers Association decided against a joint action, issued writs naming Mr. Bill Keys, general secretary of the Society of Graphical and Allied Trades; Mr. Owen O'Brien, general secretary of the National Society of Operative Printers, Graphical and Media Personnel; Mr. Joe Wade, general secretary of the National Graphical Association; Mr. Ken Ashton, general secretary of the National Union of Journalists, and Mr. Ron Knowles, also of the NUJ.

Mr. Keys said he would appear with defence lawyers on Tuesday. He expected the others to do likewise. The union's national executive issued the direction to its Fleet Street members and the executive would decide what to do if the injunction was awarded.

But he added: "Personally, I believe that the policies of this Government are against the interests of the nation and I would oppose them at every possible opportunity."

Given the wider implications of the Express suit, it would be surprising if the TUC does not involve itself in some way to defend those facing prosecution.

Parliament Page 15

Pearson wins battle for Fairey

BY REG VAUGHAN

S. PEARSON AND SON, the diversified banking, industrial and financial group, has won the battle for Fairey Holdings with a £24m offer.

Although there had been several approaches to buy Fairey from the National Enterprise Board, and bidding was finally between Hambros and Doulton and Co., the Pearson china products subsidiary, through which the offer was made.

Hambros, who started the bidding with an institution-backed offer of £19.5m, expressed bitter disappointment at its defeat yesterday. Hambros put in a revised offer on Wednesday, which was rejected by the NEB, but had indicated that it could probably go up to £23m.

Mr. Christopher Sporborg, a director of Hambros, said Hambros had been used as a "stalking horse." He described the NEB decision as "short-sighted and a victory for the taxpayer over the interests of the company."

Mr. Sporborg thought that the NEB decision was contrary to current Government thinking on not wanting conglomerates.

Mr. Peter Medd, chairman of Doulton and Co., said the acquisition of Fairey would create a better balance of activities at Doulton, which is involved in engineering as well as china and glass.

Doulton wanted to grow in high-technology engineering and a bid for Fairey "seemed an ideal opportunity."

Hambros' original intention had been to float Fairey off as an independent company in two to three years, but this is not Doulton's intention. Doulton

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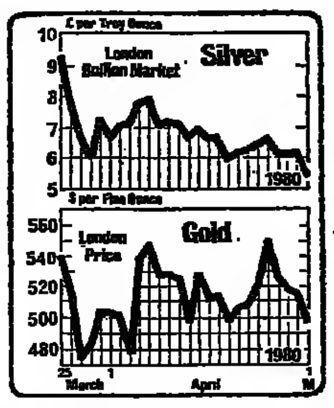

Ruling on Hunts hits gold, silver

By John Edwards, Commodities Editor

SILVER and gold prices dropped yesterday following the statement by Mr. Paul Volcker, chairman of the U.S. Federal Reserve Board, that the Hunt brothers of Texas, oil billionaire Nelson Bunker and W. Herbert would have to sell their silver holdings as a condition of obtaining bank loans.

The London bullion spot quotation was marked down by 79.3p to 530.4p ($12) a troy ounce. Gold moved down in sympathy, losing $17 to fall through the psychologically important barrier of $500 to $497.50 an ounce.

Mr. Volcker told a Congressional sub-committee that bank loans estimated to be about $1bn were being negotiated for the Hunts and would contain safeguards about being used for speculative purchases.

But traders were confused as to whether Mr. Volcker meant that the Hunts would have to sell only the outstanding purchase contracts on the futures market or to dispose of the massive physical holdings of silver built up over several years. Earlier this year Mr. Nelson Bunker Hunt said he and associates held 200m ounces of silver.

Although there were no signs of physical silver selling in the market which rallied in late trading, considerable nervousness remains in both the silver and gold markets.

Silver prices are at their lowest level for seven months, and far below the peak of over £21 in January. It is feared that further selling of silver by the Hunts could also hit gold.

Speculative interest in both markets has already been reduced to a low ebb by the rise in interest rates.

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Commodity news, Page 39

UK to licence 90 new North Sea blocks

BY RAY DAFTER, ENERGY EDITOR

THE PACE of oil and gas gas exploration in UK waters is expected to quicken as a result of the latest, seventh round of licences announced yesterday.

The Government intends to allocate about 90 blocks in the North Sea, around the Shetland Islands, and in the English Channel—the highest number since the fourth round in 1971/2.

For the first time oil companies are being given the chance to nominate some of the blocks they would like to explore. These concessions—covering about 20 blocks—must be chosen from the northerly part of the North Sea, the area which contains most of the UK's big proven oil fields and is still reckoned to be an attractive exploration zone.

Companies or consortia awarded these self-nominated licences will have to make a down-payment of £5m for each block, cash that can be offset against North Sea taxation. These signature bonuses, quite common in other exploration areas of the world should give the Treasury a North Sea bonus of up to £100m in the current financial year.

Conditions

For the Government hopes it can complete the licensing process by the end of this year so that drilling on the new licences can begin next year. Applications will have to be submitted in the next three months.

Mr. David Howell, Energy Secretary, told the Commons tha Government was confident that the blocks and licensing conditions would provide worthwhile and attractive opportunities for the industry to extend exploration.

Mr. Hamish Gray, Minister for Energy, later said he hoped the licences would enable companies to recall rigs that had moved to other offshore areas in the past couple of years. The rate of exploration and appraisal drilling was already rising; the number of rigs in operation in the last six months was 25 per cent higher than in the previous period. Oil found in the new blocks would begin to the production pattern into he 21st century.

As part of the licence conditions companies will have to offer the oil trading operation of British National Oil Corporation 51 per cent of future oil production fro mthe blocks. BNOC will not have an automatic equity stake in the licences, as in the last round, although it is expected to be an active bidder for a number of the offered blocks. Corporation officials will also sit on the offshore operating committeees when trading matters are discussed.

Once aagin, the blocks will be awarded on a discretionary basis with the Government having the final say about which companies get licences. Applicants will be judged on their technical competence, financial standing, offshore experience, and readiness to give the UK oil supply industry opportunities to compete for orders.

Relief

However, the Government is laying particolar emphasis on necouraging participation by UK oil companies, especially the independents. Mr. Gray said he would like to see UK licensees have as high a proportion of the seventh round acreage as possible.

In general, the conditions were welcomed by the oil industry and politicians. There was widespread relief that the Government had increased the number of blocks to be allowed from the 70 originally intended. Dr. David Owen, Shadow Energy Secretary, welcomed the increase, although he was disappointed the Government had not outlined its depletion policies. Exploration and depletion were linked, he argued.

The UK Offshore Operators Association was pleased that the concept of self-nominated blocks had been adopted, although he wondered whether the £5m downpayment would detract from the scheme. The northern North Sea was a mature area, well "picked-over," he said. UKOOA also welcomed the larger number of blocks on offer, although it felt the round could have been even more ambitious. Much would depend on when further exploration blocks would be offered.

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£ in New York

	Apr. 30	previous
spot	$2.2625-2645	$2.2670-2680
1 month	0.77-0.71 dis	0.91-0.86 dis
3 months	1.55-1.49 dis	1.29-1.22 dis
12 months	4.15-3.95 dis	4.10-3.90 dis

Albania announces government changes

BY ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

ALBANIA'S Prime Minister, Mr. Mehmet Sheha, has lost his Defence portfolio in a government sbuffle. Mr. Shebn is widely considered to be the most important Albanian politician after the First Secretary, Mr. Enver Hoxha.

Mr. Shehu, 67, became Prime Minister in 1954 and Defence Minister as well in 1974. Acording to Radio Tirana, the new Defence Minister is Mr. Shehn's cousin, Maj.-geo Kadri Hazbiu who bas been Interior Minister in charge of internal security since 1954.

The new Interior Minister is Mr. Fecor Shehu, the former depnty minister. Other changes include the retirement of Mr. Xhafer Spahiu as Minister of Industry and Mining, reportedly for health reasons, and his replacement by Mr. Prokop Mnrra. The Minister of Light and Food Industries, Mr. Kristaq Dollaku, has been replaced by Mr. Esma Ulquinaku.

The changes come at a time of increasing economic assistance in 1978. The illness of President Tito in neighbouring Yugoslavia and advancing age of Mr. Hoxha himself have also raised questions about Albania's future foreign and domestic policies.

Since the cut-off in Chinese aid, Albania has been cautiously expanding its commercial links with Yugoslavia and several West European countries, especially Greece and Italy. Although there has been little change in Albania's iconclastic ideological position, the party paper carried a surprising declaration of support for Yugoslavia "in the event of a Soviet invasion" last January at the beginning of President Tito's illness.

A new railway between Shkodar and the Yugoslav town of Titograd will greatly help trade by linking Albania with the Yugoslav and European railway system for the fist time.

ENVOYS ABSENT IN PROTEST AT AFGHANISTAN INVASION

States boycott Red Square parade

BY DAVID SATTER IN MOSCOW

DIPLOMATIC REPRESENTATIVES of ot least 15 countries boycotted the annual May Day parade in Moscow yesterday, because of the Soviet invasion of Afghonistan and slogans carried by the Red Sqnare marchers reflected a significant hardeniog of the Soviet foreign policy line.

The Kremlin's ageing leadrship waves from Lenin's Mausoleum as yesterday's May Day parade passes through Red Square

Many of the Soviet leaders, among them President Leonid Brezhnev and Prime Minister Alexei Kosygin, waved from the Lenin Mausoleum reviewing stand as well-drilled yonth and sporting groups parade through the square followed by thousands of working people, many carrying enormous red paper flowers and red flags and banners.

The countries whose representatives stayed away from the parade included the U.S., Britain, Belgium, China, Japan, West Germany, Luxembourg, the Netherlands, Canada, Italy, Norway, Denmark, Ireland and Australia. The four members of the Western Alliance whicb did attend were France, Iceland, Greece and Turkey.

Announcements over loudspeakers said May Day marked the struggle of the forces of peace and progress against imperialism and at least one float, among the hundreds in the 90-minute parade, showed a map of Afghanistan and carried the legend: "We are with you revolutionary people of Afghanistan."

There was no military demonstration such as last year's when the Soviet forces staged a ten-minute drill but, more significantly, the slogans for the parade appeared to reflect basic changes in long-standing Soviet positions.

Soviet propaganda has traditionally made reference to the peace programme which was expounded at the 25th panty congress and has been considered the cornerstone of Soviet detente policy. This year there was no such reference in the slogans.

In the past the Soviet Union bas also called for the fulfilment of the final act of the 1975 Helsinki agreement on European security. This was replaced yesterday by a call to West Europeans to protest against the stationing of U.S. nuclear missiles in Europe.

Last year's slogans contained the phrase "strive to make the non-use of force a law of international relations" but the reference was deleted this time, apparently to avold the obvious public contradiction presented by the Soviet Union's role in Afghanistan.

Other changes reflected a renewed emphasis on heavy industry at the expense of consumer goods, including deletion of a phrase in a slogan abont the need to produce more consumer goods which referred to the ohligation to "satisfy the Soviet people's growing requirements more fully."

The addition of a alogan stressing the need to increase the effectiveness of ideological works may reflect not jnst the desire to ward off ideological contamination as a result of the Olympic Games in Moscow but a tightening of the internal situation in general.

Two German states sign Berlin accord

BY LESLIE COLITT IN EAST BERLIN

AN ACCORD bas been signed between East and West Germany to improve West Berlin's road, rail and canal links across East German territory to West Germany. It is the first major East-West agreement since the Soviet invasion of Afghanistan.

The ceremony in East Berlin on Wednesday could not concea the pride both German signatories took in the agreement. Herr Michael Kohl, East German deputy Foreign Minister, said the signing, in the current international situation, would promote detente between the two German states and in Europe. Herr Kohl negotiated his country's basic relations treaty with West Germany in 1972.

Herr Gnenter Gaus, West Germany's permanent representative in East Berlin, who signed for Bonn, said the accord has special political significance in "these difficult times" and would improve relations between the two German states in the interests of their people. Herr Gaus announced that East Berlin and Bonn had agreed to begin oegotiations to control the industrial pollution of rivers running through both countries, as well as through Berlin.

Yesterday's accord and the ontlook for further negotiations are seen by Bonn as endorsement of its policy to push ahead with practical improvements between East and West Germany, in spite of the political freeze between the superpowers.

● Several thousand East German athletes, including Olympic medal winners, marched in the May Day parade yesterday on East Berlin's Karl Marx Allee, as loudspeakers blared a protest song against the U.S. and its allies for their expected boycott of the Moscow Games.

The athletes carried an oversized caricature of President Jimmy Carter, showing him as a floored boxer, with the caption reading: "Seven—eight—nine—he's out."

The otherwise peaceful march-past of hundreds of thousands of East German office and factory workers terminated in a parade by more than 5,000 paramilitary workers' militia led by units carrying Soviet machine guns. The main militay parades are to be beld on May 8 and 9 in East Berlin and Prague on the 35th anniversary of the capitulation of Nazi Germany and the liberation by the Red Army of the Czechoslovak capital.

Swedish workers crack a pillar of the state

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

SWEDEN is not what she used to be. About a quarter of the working population will be on strike or locked out from their places of work today. If those already working to rule are added, over balf the labour force will be taking part in the biggest industrial conflict in the country's history.

Another large crack has appeared in the model state, which tbe Swedes built during the 1950s and 1960s and which seemed effectively designed both t o maintain economic growth and to distribute effectively its product.

This time the flaw affects a sustaining pillar of the model, the national wage bargaining system between centrally organised employer and union organisations, acting, in theory, independently of the Government.

Since the Saltsjöbaden agreement between employers and unions in 1938, this system has on the whole kept Sweden free of major labour disputes, provided industry with the guarantees it needs from labour to plan for growth, and steadily raised the living standard of union members.

The system relied, as one Swedish commentator put it this week, on a kind of balance of terror between two extramely powerful organisations. Now the halance has hroken, and most Swedes are appalled at tbe extent of the conflict unleashed.

The hreakdown in this year's national wage talks has underlying economic causes whicb Sweden shares with most other industrialised conntries. Briefly, these are the declining competitive ability of Swedish industry during the 1970s, reflected in falling profits and rising labour costs, and the disproportionate expansion of spending and employment in social services.

These imbalances in the economy were underlined in the revised finance plan presented by the Government this week. It anticipates a hudget deficit in 1980-81 of SKr 57.9bn (£6.17bn), or more than 11 per cent of gross national product, and a payments deficit of SKr 16.6bn.

Shirt-term political factors also play their part in the Swedish strikes and lock-out. It is no coincidence that the biggest labour conflict in the country's history sbould hreak out just after the non-Socialist parties squeezed back into power for a second term with a one-seat majority in the Riskdag (parliament).

By tradition and in theory, the national wage negotiations are kept free of political interference. But Opposition hopes, if not intentions, were reavealed when the union newspaper Aftonbladet quoted Mr. Thage Peterson, a leading Social Democrat, as making the following remark at a local party meeting over the weekend:

"The Social Democrats cannot on their own bring down the Government, not even through a vote of confidence in the Riksdag, but if the wage-earners can overthrow the Government throngh a major strike, the party leadership would have nothing against it."

The fate of Mr. Thorbjörn Fälldin's three-party coalition is undoubtedly linked with the outcome of the strikes and lock-out. This is all the more so in that the non-Socialists finally seem to have made up their minds to try to effect the move away from Socialism whicb they promised the electorate when they first tooff office in 1976.

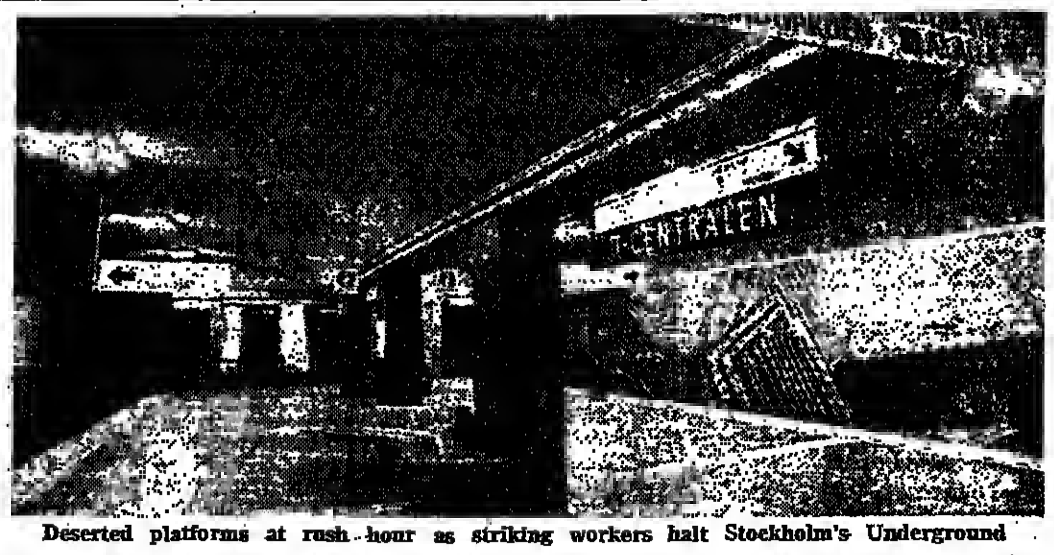
The pay talks bave been dragging on since October 31, when the last national agreement expired. At the end of last year, the unions obtained some compensation for the extra rise in prices in 1979, but campaigning for the nuclear referendum preempted the energies of both politicians and the labour market organisations.

Three days after the referendum, bowever, the Government tabled a six-point economic programme, which Mr. Fälldin said it was prepared to implement provided the employers and unions reached a pay settlement involving "basically unchanged wage conditions." Ministers have refused to clarify this obscure phrase, but it bas been taken to mean marginal wage increases of 2-3 per cent at the most.

The programme incorporated a six-week price freeze which the Govcernment was raedy to extend to the end of the year, tax cuts of SKr 500 for average incomes, and a promise to pay from the budget any price increases the farmers may negotiate later in the year. An unspecified share of company profits would also be set aside in special investment funds.

Ministers calculate that this package was worth 7 to 8 per cent in income terms for most workers. The unions have not accepted this estimate.

The Landsorganisationen, the blue-collar federation, bas been asking for an 11.3 per cent pay rise. The four public sector with state and local anthority boards are seeking 12 to 13 per cent.



Deserted platforms at rush hour as striking workers halt Stockholm's Underground

The private sector white-collar unions bave been marking time. Their chief negotiator has suggested that a "social contract" be negotiated on a tripartite basis, with the Government participating. Office workers in the private sector are not involved in the strikes or lock-out.

So far, government-appointed mediators have offered the blue-collar federation wbat amounts to a 2.3 per cent average increase in wages. roughly similar offer bas been made to the public sector unions, which called out 14,000 key officials last Friday, thereby cutting off all airline traffic to and within Sweden and limiting road baulage traffic to the port of Helsingborg and one frontier post on the Norwegian border which is operated solely by Norwegian customs officials.

To judge by public statements, the gap is still wide between the mediators' offer, which has been accepted by the Swedish Employers' Association, and the minimum the blue-collar federation feels it could accept. Union officials have suggested they would want at least 4 per cent more.

A breakthrough would seem nearer in the talks with the public sector unions, which will resume this afternoon.

How the blue-collar federation and Social Democrat leaders interpr etthe morale of their rank and file, as demonstrated in yesterday's Labour Day rallies, could determine the leogth of the strike. But the labour movement has some reason for caution.

Even with Communist backing, the Social Democrats do not hav ea majority in the Riksdag, and they would almost certainly have to rely on the Communists for a majority after a new election. Support for the Communists bas grown from 5.6 per cent in the September election to around 7 per cent

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هكذا من الأصل

EUROPEAN NEWS

Labour troubles endanger Irish alumina project

BY STEWART DALBY IN DUBLIN

IRELAND'S largest single foreign investment in cash terms, the I£330m (£300m) Alcan alumina plant on Aughinish island in the Shannon estuary could be in jeopardy following the suspension of construction work after a series of unofficial strikes.

Earlier this week, 49 fitters and nine pipe-layers went on unofficial strike and this led to a general stoppage of work when most of the 1,300 construction workers refused to cross picket lines.

Alumina Contractors, the company set up by the three main shareholders, Alcan, Anaconda and Royal Dutch Shell, issued a statement saying work would cease until "outstanding matters relating to discipline, productivity and practices have been resolved."

Mr. Gene Fitzgeral, Minister of Labour, has expressed deep concern and has said that he is willing to meet union and company officials to establish the full facts involved in the latest dispute.

The strike is the eleventh to effect construction of the plant in the past year. It has stirred fears that the Aughinish plant could turn into another Ferenka. That group, a subsidiary of the Dutch concern, Azco, shut down a tyre reinforce plant in the same area in November 1977.

The closure also followed strikes and, involving the loss of 1,400 jobs, a most serious setback to Ireland's drive for industrialisation through foreign investment. At the time, the job loss represented 8 per cent of the manufacturing workforce in the Shannon-Limerick area.

The alumina project is the largest investment made in Ireland in cash terms and the state's Industrial Development Authority plans to invest I£16m. When completed in 1982 it would employ 700 people. In the meantime, up to 3,000 workers would be employed on construction work.

Ireland is greatly dependent on foreign investors for its manufacturing industry. Should the Aughinish shareholders decide not to continue, it could spell disaster for the industrialisation drive.

Ireland has a good record on strikes. In 1979, a record 1.48m days were lost in strikes. Over 80 per cent was in the public sector and in construction. That large share was accounted for by a five-month postal strike. Apart from construction only 300 days were lost in private industry.

It has been estimated that two thirds of the workers employed in manufacturing concerns with more than 200 employees are employed by foreign companies. There are 245,000 people in manufacturing industry in Ireland—about a quarter of the workforce.

Portugal approves conservative budget

By Jimmy Burns in Lisbon

PORTUGAL'S MAIN trade union, the Communist-dominated Intersindical yesterday staged a vast May Day rally in Lisbon in the biggest show of strength so far against the Centre-Right Government. It occurred only hours after a conservative 1980 budget and short-term economic plan had passed safely through Parliament.

But the 1.5m-strong Intersindical appears to be stopping short of a full-scale offensive against the Government. A three-day strike was called off yesterday by workers of the state-owned oil company, Petrogal.

The budget, the most conservative since the 1974 Revolution, envisages curbs on public spending and borrowing and a switch from direct to indirect taxation. The projected budget deficit of 141.2bn Escudos (£1.3bn) is 16.7 per cent higher than in 1979 but is a drop in real terms. The deficit is 11.6 per cent of GDP against 12.2 per cent in 1979.

Sr. Anibal Cavaco Silva, the Finance Minister said that the deficit would not prevent a 3.5 per cent rise in GDP this year, against 2 per cent in 1979. Overall government spending in 1980-81 is estimated at 355bn Escudos, a 20.7 per cent increase over last year and just higher than the official inflation target of 19 per cent.

Tax thresholds are to be raised to increase the real earnings of the middle and lower classes by 6 per cent in 1980-1981, according to Sr. Corvaco Silva. The last three years have seen wage increases steadily eroded by inflation. But the earnings target forms part of the Government's insistence that wage increases this year should be pegged to the inflation target.

Gloomy outlook for Dutch economy

BY OUR AMSTERDAM CORRESPONDENT

THE OUTLOOK for the Dutch economy in 1980 is overwhelmingly gloomy, according to a report by the Central Palnning Office, the chief government forecasting agency. In its annual review released on Wednesday, the Office said that negative factors will dominate the economy this year. Earlier this week, the Dutch central bank concluded that the economy was still in a state of "fundamental imbalance" and warned that the "sands are running out."

High inflation levels in industrialised countries, restrictive economic policies and stagnating production mean that prospects for the export-oriented Netherlands is not good, the report says. Stockbuilding by many countries last year of products such as oil, chemicals and metals, which figure largely in Dutch exports, will reduce demand in 1980.

The Government's decision to cut public spending by a further Fl 3bn (£660m) and to curb wage rises will also limit economic growth in the near term.

The Planning office calculates that real national income will be unchanged this year after rising only 0.5 per cent in 1979. In a clear warning to the unions, which are committed to exploiting gaps in the wage legislation, it says that additional claims on national funds could not be met.

One bright spot is that the controls will hold the rise in wages to an unchanged 6-6.5 per cent this year and improve industry's competitiveness, according to the report. However, higher import prices will lead to a 6 per cent rise in inflation against 4.25 per cent last year.

Private consumption is forecast to remain unchanged after rising 2.5 per cent last year while industrial investment will fall 2 per cent against a 2 per cent rise in 1979. Exports should rise 1 per cent in volume compared with 9.5 per cent last year, while imports will fall 2.5 per cent against a 6.5 per cent increase.

● The Dutch central bank increased banke rate to 10 per cent from 9.5 per cent from today, Reuter reports.

Demonstrations highlight acute housing shortage

BY CHARLES BATCHELOR IN AMSTERDAM

THE BATTLES betwen police and stone-throwing demonstrators which attended Wednesday's investiture here of Queen Beatrix of the Netherlands was the second time within two months that large-scale violence has erupted in Holland over the acute housing shortage in the country.

Several thousand police were needed to prevent demonstrators from reaching the New Church where the Queen's investiture was taking place. In March, police and troops used tanks equipped with bulldozer shovels to remove barricades thrown up by squatters toblock a major thoroughfare in Amsterdam.

Amsterdam, the traditional centre of social ferment, has 52,00 people on its urgent housing list and there the issue has come to the boil. Staff at Amsterdam's housing department came out on strike earlier this year over the scale of their task and the daily abuse they faced from applicants desperate for somewhere to live.

A third of those seeking a home were not born in the Netherlands, city officials believe. They have come from the former Dutch colony of Surinam or they are migrant workers from Mediterranean countries.

The city, with its two universities, its cafes and its night life, is also a magnet for Dutch youth. Of those on the housing list 13,000 are under 23.

Amsterdam has a housing stock of 300,00, although many buildings, particularly those in the 19th-century ring around the old city, are in poor condition.

Construction has been slowing and is now only around 3,000 dwellings a year. At this rate, it would take 17 years to house those on the official housing list. The town has almost reached its boundaries. Room for 6,000 more homes remains in the suburb of Gaasperplas, several kilometres from the city centre, but after that the hard-up council will be forced to concentrate on re-developing the decying inner districts, at a much greater cost.

Far-reaching legislation has been enacted to maintain the stock of low-rent housing and stop it being converted to expensive owner-occupied property, but the City feels it does not have enough power to combat property speculation.

Despite Government financial aid, the city cannot afford to compete with private developers for the land which comes on the market. Thus desirable canal-side sites tend to be developed by private companies while council housing is built in the smaller back streets.

Many young people see squatting as the only answer. Squatters are now occupying 7,000 homes, as well as an unknown number of commercial premises.

Legislation which may solve many problems is now making its way slowly through Parliament. One law aims to give Councils the right to acquire property which has stood empty for six months. Another will make squatting a straightforward offence incurring a fine and thus avoid lengthy court procedures.

Young people seized the occasion of Queen Beatrix' investiture to demonstrate for better housing

French unions back work hours report

BY TERRY DODSWORTH IN PARIS

FRENCH UNIONS have given broad support to a government commissioned report advocating a substantial cut in working hours and breaching the 40-hour working week first established in 1936.

Ministers hope that this report, prepared by M. Pierre Giraudet, head of Air France, will provide enough common ground for unions and employers to re-open talks which were broken off in January. An agreement after some 18 months of talking could also help the current labour situation.

The Patronat, the French employers' association, has yet to respond officially to the Giraudet proposals but is known to be unhappy not to have won concessions on absenteeism. While willing to accept reduced working hours, the Patronat in return wanted absenteeism to be punished by loss of holiday.

M. Giraudet rejected this approach, but has gone some way to meeting employers' demands for more flexibility in working by leaving to negotiation the allocation of the additional time off.

Instead of a straightforward cut in the length of the working week, M. Giraudet proposes a reduction in annual working hours from 1,920 to 1816, without loss of salary.

Some 40 hours of the additional allowance are new holidays, which could be taken either by reducing the working week or as a fifth week. French workers already receive four weeks' holiday a year.

The fifth week, which is an important goal of some unions, would in principle be taken outside the August holiday period, however. This is a concession to the Patronat, which believes that the closure of much of French industry for the month of August is highly damaging to output.

The other 64 hours' reduction would affect only workers who have to catch up on the eight public holidays by working on Saturdays. This would be abolished under the Giraudet plan.

M. Giraudet also proposes a big cut in overtime from 384 to 140 hours a year. But, again, he has thrown in a sweetener for the employers by suggesting that overtime should be decided by the company concerned iwthout reference to Labour Inspectors. Employers believe this would give them more planning flexibility.

Bonn and Paris sign space deal

By Roger Boyes in Bonn

WEST GERMANY and France are to launch two direct transmission television satellites under a DM 500m (£120m) technical co-operation agreement signed this week. Both countries see a big export potential in Third World countries for the satellites which will be launched in 1984 by the European Ariane system.

The satellites will be built by a Franco-German development concern based in West Germany and will be able to transmit up to five channels. Development so far has been carried out largely by Messerschmitt Boelkow Blohm (MBB). The space vehicles will be specially designed for use on the Ariane launcher, which has been principally developed and produced by France.

The idea is to be able to transmit television and radio programmes directly from France into West German households and vice versa without having to go through a complex ground link-up.

This aspect is expected to be especially attractive for developing countries without sophisticated broadcasting systems, and both countries are confident that the ultimate price will be acceptable to clients such as China or India.

The issue is of considerable political importance. An agreement in principle was reached last October during President Giscard d'Estaing's visit to Bonn and was promptly hailed as a concrete token of Franco-German co-operation. The costs will be shared equally.

The agreement also has considerable domestic political consequences for West Germany and which have delayed negotiations. The Bonn Government has been afraid that the satellites could enable private broadcasting companies to beam programmes unchecked into West German homes, with possibly unfavourable effects on standards on the public television system.

The Christian Democratic opposition, however, has been pressing for the establishment of independent television channels to counter what they see as a left-wing bias on the part of the public corporations.

The West German Research Ministry stressed yesterday that talks between the two countries on this matter would continue in parallel with technical co-operation.

Talks open at Eurodif on reducing Italian share

BY OUR PARIS STAFF

THE ITALIAN interests in Eurodif, the French-led uranium-enrichment consortium, have begun negotiations to reduce their 25 per cent stake as a result of the slowdown in Italy's nuclear programme.

According to Eurodif officials in Paris, talks are well under way no what an Italian Government commission has authorised a reduction. The two organisations which hold the Italian interest—AGIP Nuclear and the Italian Committee for Nuclear Energ—are believed to be aiming to reduce it to 16 per cent.

The Italians' decision further complicates the future of Eurodiff, an important part of France's ambitious nuclear programme. Earlier this year, Mr. Sadeq Qotbzadeh, the Iranian Foreign Minister, said that Iran wanted to pull out its 10 per cent interest in the consortium, now that the country's had abandoned its nuclear programme.

Iran has so far been unable to pull out because its shareholding in Eurodif has been frozen by a French commercial court. French officials believe that the Iranian attitude can still change. But Eurodif face a sizeable financing gap when the Italian share is reduced.

Eurodif opened its enrichment plant at Tricastin in in April last year, and is running at 25 per cent of capacity. It plans to reach full output in 1982.

VAT increase expected in Denmark

By Hilary Barnes in Copenhagen

DENMARK is likely to raise its value-added tax rate from 20½ per cent to 22 or 23 per cent as a result of negotiations on economic policy between the Social Democratic minority Goverment and Opposition parties. A decision is expected next week.

The Government put forward a series of measures after Easter, including new energy taxes, cuts in public spending and increased property taxes. After discussions with the Radical party, Christian Peoples' party and Centre Democrats, the Government is prepared to drop the property tax increases and to raise VAT instead.

With the support of the three small opposition parties, the Government will be able to pilot its package through Parliament. Its aim is to cut consumption and to reduce the current balance of payments deficit.

Carter moves too late for prize primaries

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT CARTER'S decision to get out of the White House to campaign for his re-election, revealed on Wednesday afternoon, has probably come too late to have much direct impact on the batch of five important primaries to be held in the next five days.

The most significant of these are in Texas tomorrow and in Indiana next Tuesday, when primaries will also be held in Tennessee, North Carolina and the District of Columbia. Although state electoral rules vary—in Texas the primary is of the non-binding type, with delegates to be chosen at subsequent caucuses—the prize in the five states is large—375 democratic delegates and 220 on the republican side.

They constitute together an absolutely crucial test for Senator Edward Kennedy. He has actually won in five of the last seven states which have held primaries or caucuses but generally by the sort of miniscule margins which have hardly touched Mr. Carter's sizeable lead in the delegate race: the President has about 1,200 of the 1,666 delegates needed for the nomination while Mr. Kennedy has only around 670.

Texas, which will send 152 delegates to the Democratic convention, has always looked poor territory for the Senator. He is not popular there because of suspicions about his character and because he is perceived as an opponent of the oil industry, a prime Texan economic strength.

Where he may have an edge is in the state's substantial Mexican-American population. In the Arizona caucuses last month the Hispanic community handed Mr. Kennedy an upset victory and, to this end, the Senator went earlier this week to Mexico City to confer, inter alia, with President Lopez Portillo.

But the Carter campaign has also lined up a good proportion of the Mexican hierarchy behind the President in Texas, as well as the active backing of the state's junior Senator, Mr. Lloyd Bentsen, whom Mr. Carter crushed in the 1976 primary.

What can only be guessed at in Texas, as well as the other primary states, is the impact of last week's abortive raid into Iran. Mr. Kennedy's campaign has been based on the premise that it is domestic economic issues which are in the forefront of public concerns and, bit by bit, he has been getting his arguments across.

But the Iranian drama perennially intrudes into the election season: on this occasion the test will be if the public is more concerned by the fact that Mr. Carter tried to rescue the hostages or by the fact that he failed.

In fact, Mr. Kennedy's best chance seems to lie in Indiana, an industrial state suffering the agonies affecting the steel and car sectors of the economy, and probably in the District of Columbia, where, in spite of the support of most of the local black leadership, the President's standing is not high.

On the Republican side, there is a growing assumption that his loss in Pennsylvania notwithstanding, Mr. Ronald Reagan is on the verge of administering the coup de grace to his remaining opponent, Mr. George Bush.

The former UN ambassador used to be a Congressman from Texas and still enjoys some popularity in Houston, where he lives, and Dallas. But Mr. Reagan swept Texas against President Ford in 1976 and all local polls suggest he is as strong as ever in the opinion of the generally very conservative Texas Republican Party.

He is also given the edge in both Indiana and Tennessee, particularly now that the home state senator, Mr. Howard Baker, has endorsed his candidacy. In the nation's capital, however, Mr. Bush is considered more of an acceptable establishment figure.

Bolivia union pact with army

LA PAZ — Bolivia's most powerful union has signed an agreement with the armed forces pledging mutual respect and support for the democratic process.

The agreement, also signed by President Lidia Gueiler, appeared to reduce the likelihood of a military takeover, strongly rumoured here for weeks.

The agreement came after six hours of discussions late on Tuesday night in the presidential palace, and was hailed by Sra. Gueiler as "a victory for all Bolivians."

The Bolivian Workers' Central, the country's most powerful union federation, promises in the agreement not to seek a Socialist Government, and the armed forces agree not to seize power.

It was sealed with a handshake between Sr. Juan Lechin Oqueno, the union leader and former Vice-President, and Gen. Luis Garcia Meza, the Army commander, who has said civilians are incapable of governing Bolivia.

Sr. Lechin and other leaders have said another military takeover would be met with highway blockades, street protests and a general strike.

"The agreement is a far-reaching step towards consolidating democracy," Sr. Lechin said.

Fears of a military takeover grew on April 14, when the conservative Gen. Garcia Meza took command of the Army.

The general, who publicly criticised the Government and called for a "new democracy," was Army commander during the coup last November, which lasted two weeks. About 200 civilians were killed by the armed forces.

AP

'Air strike plan' during Iran rescue mission

BY DAVID BUCHAN IN WASHINGTON

AIR STRIKES against military targets around Tehran were one option considered for President Jimmy Carter to take if last week's hostage rescue mission had reached the Iranian capital and run into trouble there, according to Press reports here yesterday.

The reports, not denied by Administration officials, make it clear why Mr. Cyrus Vance felt strongly enough against the rescue mission to resign this week as Secretary of State. Mr. Vance is said to have argued that military action of any kind would only aggravate the problems in Iran and invite the Soviets in.

Even had all the hostages been spirited out of Tehran, the Iranians could have retaliated by rounding up American journalists and some 200 remaining U.S. citizens there, the former Secretary of State warned.

A spate of critical Press articles on the botched mission—which even with its unhappy ending may provide thriller material for books and films—has raised awkward questions for Mr Carter's Administration and for the military chiefs.

In some quarters, Mr. Carter and his advisers in Washington have been accused of a failure of nerve in deciding to scrap the mission because only five helicopters were operational.

The White House and Pentagon have insisted that the commanders on the spot in the desert advised aborting the mission.

Certainly, briefings from the Defence Department show the mission was a classic example of Murphy's law: anything that can possibly go wrong, will. The error with the most serious implications for any kind of future operation is the failure to destroy secret plans, detailing the rest of the mission, in the abandoned helicopters.

Special explosives were carried to do this if necessary. But apparently Col. Charles Beckwith, the commando unit chief, decided that, with fires burning and ammunition exploding from the crash of the helicopter and the C130 transport aircraft, his men had to get out. He decided they had no time to destroy the documents.

It has also transpired that the helicopters used had, a day before the operation, been doused with chemicals and salt water when a fire alarm system had been accidentally set off on the carrier Nimitz. Sand protection screens were left off the helicopters to give them longer range. To cap it all, the helicopter which was completely stopped by a desert sandstorm and had to return to the carrier, carried hydraulic repair gear.

The irony of this was that hydraulic equipment on another helicopter failed at the desert air strip at Tabas. Had it been repaired, the helicopter force would have been up to strength at six, and the mission would have gone ahead.

Chase at 18½% as U.S. prime rate edges down

BY DAVID LASCELLES IN NEW YORK

THE U.S. prime rate edged downwards again yesterday, though banks are still reluctant to match the sharp drop in short term rates that has occurred in the money markets in the last two weeks. A regional bank in Indiana cut its prime to 18¼ per cent, breaking new ground below the 18½ per cent level that many banks reached earlier this week. But the move was not immediately followed by any of the "money centre" banks.

Chase Manhattan, New York's second largest bank, cut its prime rate from 19 per cent to 18½ per cent, bringing it level with Morgan Guaranty which moved to that level on Monday. However, most major banks are still at 19 per cent or higher.

The focus now shifts to Citibank, New York's largest bank, which usually adjust its rate on Friday.

David Buchanan writes from Washington: The World Bank announced yesterday that it had wound up its borrowing programme for the year ending this June 30 with a private placement of DM 259m (£60m) with four West German banks.

This brought the average rate of interest on the 1980-81 borrowings to 7.83 per cent on loans with an average life of 9.2 years. This, Bank officials noted with some pride, was cheap — given prevailing high rates and an average rate of 7.1 per cent paid in the three previous years.

But it is no surprising, since the banks' borrowings over the past year have been almost exclusively in yen, Swiss francs, and Deutsche marks. The bank now expects to re-enter the U.S. capital markets in the coming year, after a prolonged absence.

Western deficits halt IMF plan

BY DAVID BUCHAN IN WASHINGTON

THE International Monetary Fund's dollar substitution account was put into temporary limbo at last week's meeting of the fund's interim committee—chiefly because of changed attitudes in West Germany and Japan, a senior U.S. Treasury official claimed yesterday.

Mr. Fred Bergsten said this was a natural consequence of those countries' payments swinging from large surplus into deficit. They were now running down dollar reserves, and in some cases borrowing abroad in return for assets denominated in their own currencies, he said. Thus, they had no need to "freeze" large amounts of unwanted surplus dollars in an IMF substitution account.

Mr. Bergsten, Assistant Treasury Secretary and now one of three officials there conducting monetary policies, considered that technical issues of how gold might be used to back the account and which countries should bear what part of the exchange risk were secondary reasons for the lack of progress on the substitution plan at the Hamburg meeting.

The substitution account, in which dollars would be swapped for the Fund's special drawing rights (SDR's), had been seen, Mr. Bergsten said, as one route to a multi-reserve system, in which the U.S. currency played a smaller role. But, ironically, the reasons for delay on the substitution account also helped the evolution of a multi-currency reserve system. In deficit now, countries like Japan and Germany were seeing more of their currencies held in foreign hands.

Referring to the recycling of the oil producing countries' surplus, an issue that figured high at Hamburg, Mr. R. Bergsten noted it was fortunate that much of the $70bn predicted deficit this year by the industrialised countries was concentrated in West Germany and Japan.

The rest of the deficit was spread evenly around other countries. Mr. Bergsten saw the same "relatively stable" pattern among the non-oil developing countries. Their overall $50bn deficit this year was heavily concentrated in a number of countries—Brazil, South Korea, the Phillipines—which, by and large, had already taken remedial action.

This picture, he said, was in sharp contrast to that after the last big "oil shock" of 1973-74, when weak economies like Britain and Italy faced major deficits.

But, with the outlook unclear for 1981 and beyond, the interim committee was right to request the fund to "develop terms of possible borrowing from surplus countries."

Diana Smith in Brasilia assesses the problems facing President Figueiredo after 13 months in office

How Brazil's economic woes threaten political detente

MORE THAN 13 months of government by President Joao Baptista Figueiredo have brought a degree of political detente to Brazil which few expected when he was sworn in as heir to 15 years of tough rule by soldiers and technocrats.

But his genuine political achievements could now be undermined by an economic crisis, labour troubles, doubts about his policy of decentralisation and even rumblings within the Catholic Church establishments.

The economic crisis is a product of public sector deficits, years of bad harvests with their effect on food prices and the soaring cost of imported oil. The problems are emphasised by the enormous concentration of power in the hands of Sr. Antonio Delfim Netto, who is technically Minister of Planning but is more like an economic super-minister controlling several departments.

The most serious labour problem has arisen in Sao Paulo, where thousands of metalworkers have been on strike for a month, risking the loss of their jobs. They have found sympathy and support from the Church, but their leaders have been imprisoned. The strike is affecting the country's car industry and thus export performance, and has also become a test case for President Figueiredo's liberalisation policy.

While President Figueiredo sits in committee with Sr. Delfin and other trusted advisers, watching the political and economic experiments, 60m Brazilians—half the population—are living on less than $1,000 a year, 60 per cent of them in the cities.

Wih inflation at 77.2 pr cent in 1979, white-collar and skilled blue-collar workers earning between $2,500 and $5,000 a year are also feeling the pinch, and are seeking scapegoats for their falling living standards.

Sr. Figueiredo has taken an immense gamble on 1980. If Sr. Delfim can pull inflation down to the promised 45-50 per cent, balance trade at $20bn each of imports and exports to hold foreign borrowing to $12bn (a figure disputed by Brazilians and foreigners alike, and finally "fill the saucepans of the people"—the Government's slogan for a year of promised agricultural plenty—he will be a hero to his peers and the public. Success will also probably help him towards his goal of the presidency in 1985.

Equally, though, he and his hand-picked team will be allowed exclusive blame for failure. Here, Sr. Delfim's ministries, which include agriculture, finance and the interior, look most vulnerable, especially as his team must work its miracle in a more troubled world than that of Brazil's economic boom in the 1970s, of which they were the chief architects.

They must also work under the jaundiced eye of reporters who have taken exuberantly to the end of 12 years of censorship. Despite pressure from editors who support Sr. Delfin, they want to get the economic facts across to the people. Reporters skirmish regularly with economic officials who are repeatedly accused of manipulating or withholding information.

But their efforts mainly benefit the middle class. The cost of newspapers or serious weeklies is beyond the means of the limited number of workers with enough education to be able to read them.

The economic "miracle" of 1969-74, when growth exceeded 10 per cent a year, was worked by Sr. Delfim and promoted by the then President, General Emilio Garrastazu Medici, in a climate where freedom of expression was stifled. The Press, strictly censored, was forbidden to criticise when the government's economic measures on its political actions.

President Figueiredo . . . taste for populism

Left-wingers were imprisoned and tortured with a ferocity which belied the amiable surface of the Brazilian ethos. The "parrot perch," from which prisoners were hung by their bound hands and feet, violent electric shocks, and sessions of heating and kicking which led to the death of several detainees became received wisdom for the world's special police forces.

The public learned to hold its tongue and look over its shoulder. Telephones and correspondence were monitored on a massive scale. Informers enjoyed thriving careers. But with the end of Gen. Medici's Government in 1974 the worst persecutions ceased, although traces of fear lingered until Gen. Ernesto Geisel left office in March last year.

Sr. Figueiredo's style has reawakened Brazil's taste for populism. The President has dispensed with daunting security escorts and motorcades, allowed himself to be parodied on television as a walking Don Quixote to Sr. Delfim's riding Sancho Panza, and even exposed himself to heated verbal exchanges in streets and cafes.

But behind the facade, Sr. Figueiredo has suffered several shocks, above all in the Cabinet.

Sr. Mario Henrique Simonsen, his first Planning Minister, resigned last August after being systematically baulked by colleagues in his efforts to fight inflation by reducing Government spending. One of his staunchest opponents was Sr. Delfim.

Sr. Delfim took six months to dislodge his most truculent opponent, Sr. Karlos Rischbieter, the Finance Minister. Sr. Rischbieter's gloomy forecasts of Brazil's external accounts, trade deficits and borrowing needs this year (up to $18bn, he said) ran foul of Sr. Delfim's optimism.

SOME 200,000 Brazilians gathered in Sao Paulo's industrial zone yesterday, in support of the month-old metalworkers' strike, despite police road blocks on routes leading into the area, Rik Turner writes from Sao Paulo. The march, from the industrial zone's main church to the local football stadium, went ahead after the authorities lifted their ban on it at the last minute.

That the match took place is seen as a victory for the informal alliance of Church, Opposition politicians and ordinary Brazilians who are supporting the strikers. The marchers chanted "free our prisoners now" as they made their way to the stadium, a reference to the 17 union leaders imprisoned on April 19, after the Government had taken over union offices and replaced union officials with its own appointees.

Food is being distributed to strikers' families from a strike fund, and strike leaders estimate they have enough to last at least 12 months.

The gravity of the crisis is indicated by Volkswagen's midweek offer of "five years' guaranteed employment" to all toolmakers returning to work at once. Guaranteed employment is a key demand of the metalworkers.

Occidental in new deal

OCCIDENTAL PETROLEUM is understood to have reached agreement with the Lima Government on the renegotiation of its oil contracts in Peru. The agreement, details of which are not yet available, was due to be considered for ratification by the Cabinet on Wednesday afternoon.

Dr. Armand Hammer, Occidental's chairman, flew into Lima early this week for a final round of talks. These had come to a halt in the middle of last month when Peru presented what it described as its final proposal. The Cabinet had apparently discussed the possibility of nationalising Occidental's Peruvian operations in the absence of a satisfactory agreement.

Occidental produces more than half Peru's 200,000 barrels a day of crude oil, and has been

The Peruvian Government called for contracts to be renegotiated last December, saying it should receive a bigger share of the oil.

Cuba alert

Cuba will mobilise its forces next week while the U.S. holds military manoeuvres in the Caribbean, the official daily newspaper Granma said yesterday, Reuter reports from Havana.

Sandinistas anxious on flow of aid

By William Chislett in Mexico City

NICARAGUA'S RULING Sandinistas, who overthrew the Right-wing Somoza dictatorship last year, appear anxious to reassure the West that the country is not moving rapidly towards socialism.

Since Sr. Alfonso Robelo, the private sector's representative in the ruling junta, resigned last week over policy differences, the Sandinistas have ended the state of emergency they imposed when they came to power and granted people the right to seek injunctions against arbitary Government measures.

Sr. Robelo resigned because his Social Democratic party was only given one seat on the 47-man Council of State, a body with legislative powers.

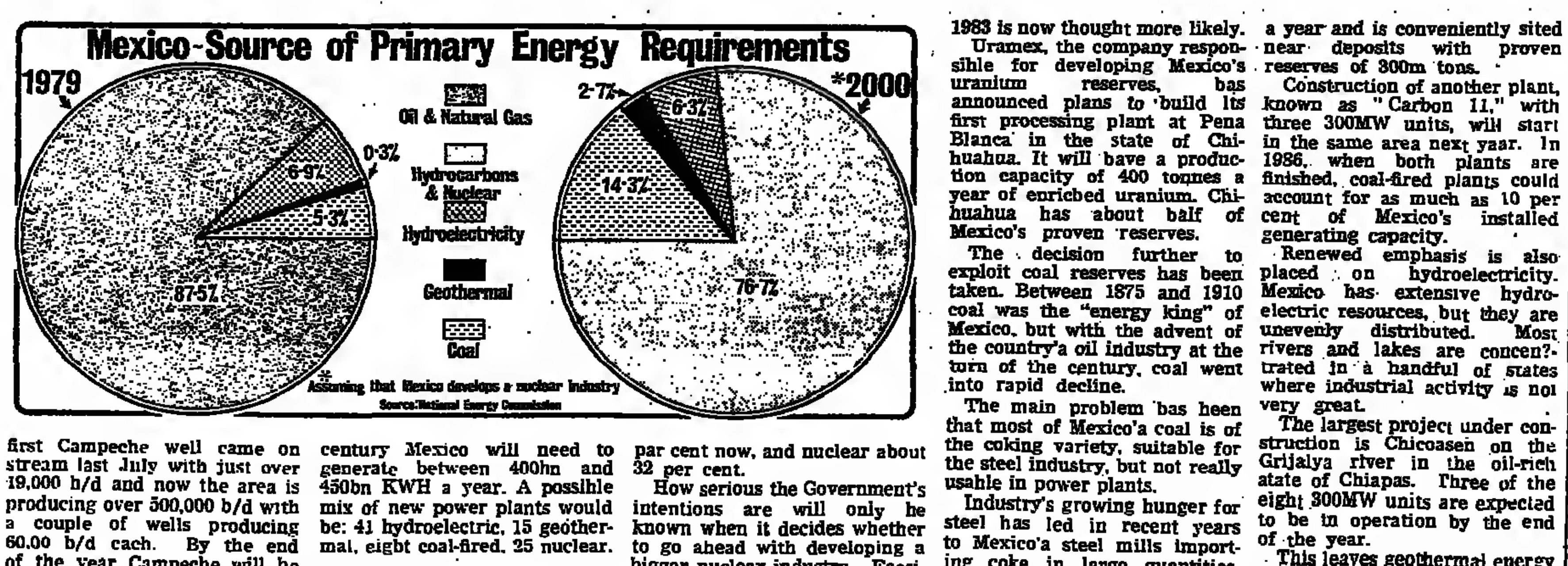
The resignation worried the Carter Administration in Washington and dismayed the Nicaraguan private sector, which is at loggerheads with junta.

The way in which the Robelo incident is settled could have a bearing on whether Nicaragua will receive much needed $75m in American aid. The aid was approved by the U.S. Congress, but only after a stormy debate over whether Nicaragua was a "friendly" country. The aid was then frozen under Congress cutbacks on the 1980 budget.

ENERGY REVIEW: MEXICO'S PLANS

BY WILLIAM CHISLETT

Seeking strength through diversity



MEXICO HAS an abundant supply of oil and natural gas, but the Government is still pursuing a policy of diversifying energy sources.

Mexico, in general, shows a strikingly carefree attitude to energy consumption compared with most countries. Mexico City is ablaze with neon advertisement signs and street lights at night and many Mexicans drive monstrously large cars. Who can blame them when petrol is only 37p a gallon — a price which has not changed for four years?

Government petrol subsidies aimed at promoting industrial development and putting car ownership within the reach of modest families, cost 100bn pesos (£1.9bn) a year. However, the Government is also preparing for the possibility — remote as it may seem — that one day Mexico's oil wells may dry up.

Mexico has proven hydrocarbon reserves of 50bn barrels, the sixth largest in the world. They are equivalent to 104 times its present annual consumption of all energy sources (in terms of barrels of oil equivalent). Its potential reserves of 200bn barrels are 412 times greater than the country's present annual energy consumption. This does not take into account Mexico's oil exports, including foreign sales. Mexico's proven reserves are sufficient for 60 years. Total onshore and offshore production is now 2m b/d with exports of around 750,000 b/d.

Mexico's offshore oil, in particular in the Bay of Campeche, is fast shaping up to be an extraordinary bonanza. The first Campeche well came on stream last July with just over 19,000 b/d and now the area is producing over 500,000 b/d with a couple of wells producing 60,00 b/d each. By the end of the year Campeche will be producing at least 800,000 b/d.

Wherever it looks, Mexico is finding oil. But at the present rate of development in the ambitious plans to industrialise the country, Mexico will consume the equivalent of 6m b/d by AD 2000—five times the present amount.

Eight times as much electricity will be neded by AD 2000 if plans are to be fulfilled to double industrial capacity every seven years and to maintain an average annual economic growth rate in real terms of 8 per cent—coupled with a population increasing by 2m a year.

Sr. Hugo Cervantes del Rio, the head of the Federal Electricity Commission (CFE), estimated that by the end of the century Mexico will need to generate between 400bn and 450bn KWH a year. A possible mix of new power plants would be: 41 hydroelectric, 15 geothermal, eight coal-fired, 25 nuclear.

Given this, and the Government's conservative oil policy—levelling off production at around the 2.5m b/d mark—there is a need to develop other sources of energy. Mexico has plenty of alternatives. According to Sr. Juan Eibenshutz, who heads Mexico's Energy Commission, the mix of fuels for generating electricity could radically change by AD 2000.

Hydroelectricity currently supplies 30 per cent and could fall to 15 per cent: Mexican coal, which is mainly coking coal suitable only for steel and other metal industries, could represent 15 per cent of total electricity output: geothermal 3-4 per cent; oil and gas around 35 per cent, compared with 70 per cent now, and nuclear about 32 per cent.

How serious the Government's intentions are will only be known when it decides whether to go ahead with developing a bigger nuclear industry. Feasibility studies are being carried out by Canada, France and Sweden and the Government could decide by the end of this year.

Canada's studies concern its Candu heavy water system and France and Sweden are looking at light water systems.

Mexico's nuclear potential is generaly acknowledged to be high. Proven uranium reserves are 10,000 tonnes and potential reserves are estimated at 225,000 tonnes. After a very slow start, Mexico's first nuclear-fuelled power plant, Laguna Verde, in the state of Veracruz, is going ahead fairly smoothly. Completion date for the first of two 654 MW light water units is scheduled for 1982, although 1983 is now thought more likely.

Uramex, the company responsible for developing Mexico's uranium reserves, has announced plans to build its first processing plant at Pena Blanca in the state of Chihuahua. It will have a production capacity of 400 tonnes a year of enriched uranium. Chihuahua has about half of Mexico's proven reserves.

The decision further to exploit coal reserves has been taken. Between 1875 and 1910 coal was the "energy king" of Mexico, but with the advent of the country's oil industry at the turn of the century, coal went into rapid decline.

The main problem has been that most of Mexico's coal is of the coking variety, suitable for the steel industry, but not really usable in power plants.

Industry's growing hunger for steel has led in recent years to Mexico's steel mills importing coke in large quantities. According to the steel industry, Mexico's mills will need 12m tonnes of coke a year by 1985, but domestic supply will only output. be 9m tonnes, based on present

However, there is room for manoeuvre because it is likely that the direct reduction process will be introduced. This usese Mexico's surplus natural gas, reducing the state steel sector's dependence upon coke.

The Federal Electricity Commission is building its first major coal-fired plant at Rio Escondido in Coahuila. The first of four 300 MW units should come in stream in 1981 and the entire project be finished in 1984. The plant will use about 4.5m tonnes of coal a year and is conveniently sited near deposits with proven reserves of 300m tons.

Construction of another plant, known as "Carbon 11," with three 300MW units, will start in the same area next year. In 1986, when both plants are finished, coal-fired plants could account for as much as 10 per cent of Mexico's installed generating capacity.

Renewed emphasis is also placed on hydroelectricity. Mexico has extensive hydroelectric resources, but they are unevenly distributed. Most rivers and lakes are concentrated in a handful of states where industrial activity is not very great.

The largest project under construction is Chicoasen on the Grijalva river in the oil-rich state of Chiapas. Three of the eight 300MW units are expected to be in operation by the end of the year.

This leaves geothermal energy (using the natural heat of the earth) and solar power. The principal geothermal energy producing field is Cierro Prieto, near Mexicali on the U.S. border where a plant exploiting reservoir temperatures ranging from 250 to 350 centigrade was expanded last year from 75MW to 150MW. It is planned to increase capacity to 400MW.

The Cierro Prieto field will eventually supply part of southern California with power. The CFE, the San Diego Gas and Electricity Company and Southern California Edison signed a letter of intent in February which could lead to Mexico exporting 600MW of geothermal energy from Cierro Prieto and other sites after 1983.

OVERSEAS NEWS

Tel Aviv rally calls on Begin Cabinet to quit

BY DAVID LENNON IN TEL AVIV

A MAY DAY raly in Tel Aviv yesterday turned into the largest anti-Government protest ever seen in the country. Over 150,000 workers chanting "Begin go home" marched through the strets of the city, holding up traffic for several hours.

he size of the turnout surprised the trade union oragnisers who in recent years have found it increasingly difficult to persuade their members to join the May Day rally.

But ia was clear yesterday that the Government's economic policies which have generated triple-figure inflation and unemployment have revived workars' solidarity if not their belief in universal socialism.

Mr. Menahem Begin: urged to "go home"

Many of those taking part said their main reason for attending the rally was to protest against recent price rises which, they said, were making it impossible for wage-earners to support their families.

Mr. Yeruchain Meshel, secretary-general of the Histadrut Labour Federation, told overflow crowds in the municipal square that it was essentja lto replace the Government which had undermined not only the economy but society as a whole.

The Labour Party, which took a central role in organising the rally, was delighted by the turnout. Party leaders already buoyed by opinion polls showing that the would easily win if na election was called now, said the demonstration showed clearly that thep ublic was fed up with the incompetence of Mr. Menahem Begin's Government.

On the West Bank of the Jordan yesterday an Israeli army officer shot dead a 17-year-old Palestinian during a scuffle in the village of Anabta. This is the most serious incident in a week of widespread disturbances.

The officer said that three youths, one of them brandishing a knife and waving a Palestinian flag, attacked him and another officer when they went to investigate reports of a disturbance in a school.

The military government reports that wto of the youths were quickly subdued but that the knife carrier managed to knock down one of the officers. He was shot when he tried to grab the officer's gun.

There has been widespread unrest throughout the West Bank in the past week following a vigilante rampage through the town of Ramllah by Jewish settlers. Sporadic commercial and school strikes have been interspersed with stoning of Israeli vehicles by children.

Meanwhile, at Herzlia, just north of Tel Avivi, the first full day of talks about Palestinian autonomy for the West Bank, involving Israel, Egypt and the U.S., was bogged down in technical discussions about whether the negotiations should he held in small working groups or in full plenary session.

Schools protest poses dilemma for Botha

BY QUENTIN PEEL IN JOHANNESBURG

THE WAVE of unrest which has swept through schools of the South African coloured (mixed-race) minority community in the past two weeks has hrought to a head a gathering crisis in the country's racially-segregated education system.

The boycott of classes by coloured children in protest at, what they say, is inferior education to the white system has coincided with growing militancy among the elite white teachers over their latest pay award.

Moreover, the coloured boycott, which has already involved some 70 schools and other institutions, and some 100,000 pupils throughout the country, is winning increasing support and sympathy in black and Indian schools.

The protest appears to have taken the Government almost completely by surprise, for the second time in four years—the last occasion was the black pupils' protest which led to the Soweto riots of 1976.

The action has underlined the gross disparity in state spending oo education for the different race gronps and the growing militancy of the traditionally docile coloured community.

The boycott started in Cape Province where the majority of the 2.5m South African coloured community lives. It poses a dilemma for the Government which has always believed that the true interests of "brown Afrikaners" lie with the white community, not the black.

Nevertheless, Mr. P. W. Botha's Government is stepping up its threats of a tough response. Mr. Louis Le Grange, the Minister of Police, said yesterday that the Riotous Assemblies Act would he used to bring charges against children who attended mass meetings. Already more than 700 Johannesburg pupils have been remanded after they failed to disperse quickly enough.

The coloured pupils' grievances have focussed on specific problems in their schools—lack of equipment and facilities, shortage of textbooks, and poor pay for teachers resulting in a low standard of teaching. Such problems have been linked to the wider issue of segregated and unequal education.

According to official statistics, per capita spending on education last year was R621 (£339) for white pupils, R357 for Indians, R226 for coloureds, and R72 for Africans.

So far, the level of protest has been non-violent. "I am relieved that not many black children have joined in yet, because they would burn down their schools and stone the police," a coloured teacher said. But the teachers maintain that police action in detaining student leaders and charging pupils has only heighteoed their militancy.

The most strikiog cootrast with the black protests of 1976 is that the coloured parents appear to be firmly behind their children. Parent support committees have been established in most major centres. In addition, the protest has spread to most Indian secondary schools and a handful of black schools, suggesting a growing identity of interest acrosa ethnic lines.

16 killed in Kabul clashes

NEW DELHI—At least 16 people have been killed and 40 wounded in clashes between Afghan security forces and anti-Marxist students and teachers in Kabul in the past few days, according to reports reaching India.

In a despatch from Kabul, the Press Trust of India news agency said Afghan police and troops opened fire repeatedly to quell a series nf apparently well-planned student uprisings between April 21 and 29. The unrest coincided with the second anniversary of the revolution which brought Marxist rule to Afghanistan.

The wounded included Chain Singh, a driver employed by the Indian ambassador. Mr. Singh was hit in the arm by a bullet while driving near Amani College where girl students were fired upon while shouting slogans against the Soviet Union and Afghanisstan's pro-Soviet President, Mr. Babrak Karmal.

The demonstrations were the second of their kind in Kabul since the Soviet military intervention last December. Hundreds nf people are believed tn have been killed or wounded in clashes with Afghan security forces in February. Thousands nf demonstrators were arrested at that time.

Reuter

Gandhi party secretary quits over nominations

BY K. K. SHARMA IN NEW DELHI

DISCONTENT among the older members of Mrs. Indira Gandhi's Congress (I) Party came into the open yesterday when Mr. H. N. Bahuguna resigned as secretary-general. Mr. Bahuguna gave no reason but said be would make a statement "at the appropriate time."

His resignation is thought to be linked to the growing hold that Mr. Sanjay Gandhi, the Prime Minister's son, is gaining over the party machinery. Although Sanjay holds no party post, he has had a major say in choosing Congress (I) candidates for forthcoming elections to nine state legislatures.

Nearly three-fifths nf the candidates have been nominated from among Sanjay's followers, al of whom are aronnd 30 years old. That means that a large number of older aspirants have failed to win nomination.

It is expected that other resignations will follow Mr. Bahuguna's, among them Mr. Kamalapati Tripathi, the Minister of Railways and vice-president of the Congress. Mr. Tripathi has let it be known that he is "disgusted"

U.S. pledge on overdue funds

BY ANTHONY ROWLEY

MR. DEANE HINTON, U.S. Assistant Secretary of State for Economic and Business Affairs, promised yesterday that the Asian Development aBnk would not go short of U.S. funds despite a block by Congress on replenishing the bank.

The U.S. hold-up has caused nther donor nations to delay their contributions and has left the bank's concessional loan fund virtually devoid of cash. The bank's governors were not entirely reassured by Mr. Hinton's statement.

The bank has committed U.S.$22bn of soft loans so far this year—considerably less than usual—to Sri Lanka, Bangladesh and Laos but is unable to advance the money until the concessional fund is replenished. The governors may have to decide on emergy action to secnre advance contribntions from other donor nations pending receipt of U.S. funds.

Mr. Hinton blamed Congress and its "search for fiscal restraint and discipline in the U.S." for the delay, but he pledged "the Fund's replenishment will be achieved."

The blocked sum is $445m, representing the 22.5 per cent U.S. share of the $2bn second replenishment of the Asian Development Fund. All other member countries, including Japan with a $670m (33.7 per cent) share, have already agreed and authorised their contributions.

Mr. Hinton said that with an increasing demand for development and balance-of-payments finance by developing countries in the 1980s, development banks would be needed more than ever. He urged the bank to extend its role to guaranteeing developing countries' commercial borrowing and to providing equity finance.

Sadat promises to put Egypt's house in order

BY ROGER MATTHEWS IN CAIRO

PRESIDENT Anwar Sadat is tn unveil "a comprehensive plan for putting Egypt's house in order when he addresses Parliament on May 14. Speaking to workers at a May Day rally, Mr. Sadat promised that his plan would tackle all the country's problems and would deal with democracy, the economy and relations with the Arab world.

President Sadat forecast that Draconian measures would be taken against profiteers and others who were contributing to Egypt's sharply increasing rate of inflation. After announcing a backdated payment of E£53m (£37m) to public sector workers, Mr. Sadat advised them not to spend the money before May 15 when his new measures would come into force.

An independent survey of price rises has disclosed inflation at an annual rate of about 40 per cent during the first three months of this year, compared with around 30 per cent in 1979. Mr. Sadat's public acknowledgement that "soaring prices" were causing problems for many workers is an indication that the Government is becoming seriously alarmed by the rate of inflation and the tensions caused by the growing disparity between wages in the private and public sectors.

Anyone who damaged Egypt's economy or used its democratic system to attack the state would face drastic punishment as a result of the presidential decrees to be presented in a fortnight's time Mr. Sadat said.

The Egyptian leader also attacked his Arab critics. Even if they pleaded for the headquarters of the 21-nation Arab League to be returned to Cairo, Egypt reject them. "We don't want them back here after all their insolence and slanders."

Nigeria's oil scandal refuses to go away

BY MARK WEBSTER IN LAGOS

PRESIDENT SHEHU Shagari's appointment of a judicial inquiry into Nigeria multi-billion oil scandal has defused a poltical time-bomb for his six-month-old Administratinn, at least for the moment.

Bankers and oil men believe there is very little substance to allegations that 2.8bn naira (£2.3bn) is missing from Nigeria's oil revenues. But public feeling is running high about what has inevitably been tagged "Oilgate."

The facts are now in danger of being obscured by the conviction among Nigerians that the often-mentioned corruption of previous regimes must have extended to nil revenues.

The judicial inquiy has supesrded investigations by a committee of the House of Repesentatives which has just published an inconclusive interim report on the affair.

The five-man judicial inquiry is going over much the same ground, collecting written reports, and it will start hearing oral evidence soon. Many believe that the inquiry will not produce any hard evidence to support a story which first arose from a misunderstanding by a Nigerian journalist.

Meanwhile, almost the whole top management of the state oil company, the Nigerian National Petroleum Corporation, has been suspended. Included were the chairman, Mr. A. F. Hart, the managing director, Mr. Festus Marinho, the entire board of directors and most of the divisional managers.

The corporation was formed in 1977 from the fusion of two existing bodies, but the judicial inquiry will look at all oil contracts signed from the beginning of 1976 until he tend of 1979 to find out if all sales were strictly in accordance with the agreements signed with the 50 or so customers.

The inquiry will also look into allegations that 2.8bn naira was paid into a private account with the Midland Bank in London. Bankers dismiss the accusation as incredible, but it was made by the leader of the majority Government party in the Senate, Dr. Sola Sarak. He thns gave new life to a story which was fading from public interest.

The controversy was started last year when a Nigerian newspaper published extracts from a draft auditor's report by Coopers and Lybrand which criticised the corporation for lax accounting and included a paragraph which said: "The corporation did not maintain adequate records of transactions relating to crude oil and petroleum product sales during the period, and consequently we are unable to confirm that crude oil and petroleum products amounting to 2.84bn naira . . . are fairly stated."

The newspaper interpreted that the money was missing and despite the publication of a retraction several days later, the scandal had been born and cannot now be put tn rest without a full investigation.

Since then the anditors have prepared a second set of accounts using "alternate accounting procedures" and they have been signed. But to add to the confusion, the auditors wer accused by the House of Represnetatives committee of "watering down" their original report.

There are also subsidiary scandals over the suspension of a television reporter after Dr. Saraki said he had been misquoted and another over a suggestion that the Government of President Shagari is taking advantage of the situation to alter the ethnic balance of the petroleum corporation's officials

WORLD TRADE NEWS

IATA chief fears 'brutal' period for world airlines

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD AIR transport industry is now facing a period of "brutal financial realism," according to Mr. Knut Hammerskjold, director-general of the International Air Transport Association.

Speaking in New York, Mr. Hammarskjold said that "bankrupt policies can quickly lead to bankrupt airlines." What the airlines needed from governments were practical and imaginative approaches to real world problems, "not idealistic, theoretical and often politically-motivated hogwash."

"The airlines of the world are being squeezed dry," he said, with "soaring costs, sky-high interest rates, diminishing yields and nose-diving profits.

"Many airlines' financial results are now in the red," he added.

Pointing to the five-year cyclical nature of ar transport, he siad that 1970 and 1975 were particularly poor years, while 1973 and 1978 produced the best profit performances of the 1970s.

"We are now in 1990, and an international economic recession is taking off.

"Let us take things a step at a time, particularly in today's economic climate, and adapt the evolution of this international industry intelligently to the cyclical movements of our environment.

"To force aviation against the economic stream deliberately conjures up a holocaust," he declared, in a reference to the enforced deregulation of the U.S. air transport industry of the past two years, by the U.S. Civil Aeronautics Board.

"Perhaps the current sombre scenario will prompt, in the 1980s a re-evaluation of international policies without losing sight of the objective of any efficient airline of serving the public as adequately and cheaply as the financial environment, largely created by Governments, will permit.

"Today, more than ever, it must be clear to any thinking and responsible individual that the problems of the 1980s require diplomatic solutions between mature partners and friends, not impositions by independent agencies."

● A NORWEGIAN airline, Braathens SAFE, has become the 13th airline to order the Boeing 767 semi-wide-bodied twin-engined airliner. It has ordered two, with options on two more.

Tenders called anew for Arab satellite

BY OUR FINANCIAL STAFF

THE ARAB Satellite Communications organisation (ASCO) is to isue a new international call for tenders this year for the Arab telecommunications satellite (ARABSAT) due to be launched in 1982.

A previous call for tenders has been cancelled mainly because an Anglo-French Consortium, composed of British Aerospace and Matra and Thompson of France, was virtually the only contender after the elimination of Hughes Aircraft of the U.S. because it is on the Arab boycott list.

After the annual general meeting of ASCO in Rabat, Dr. Ali al-Mashat, director-general, said the conditions, but not the specifications, of the tender will be changed to permit a larger number of manufacturers to compete for the contract.

He said a decision on the closing date for the new tenders would be decided when the new "relaxed conditions" were formulated.

He added that the Anglo-French consortium, and Hughes Aircraft, if current efforts to remove it from the boycott list are successful, will both be able to tender again. It was hoped that others would also respond to the new call for bids. A first tender for about \$165m (£74m), is almost twice the ASCO budget for the project, but that the cost could be reduced by changing specifications which would not diminish the satellite's efficiency.

E. Europe to comply with EEC tyre move

By John Griffiths

THE EUROPEAN Commission has persuaded four East European countries to put an end to what it described as unfair competition in the sale of car tyres within the EEC. Ger any, Czechoslovakia, Romania and Yugoslavia—were found by the EC to have been causing injury to Community industry by dumping low-priced tyres. Exporters in the four countries have agreed on price levels for this effect of removing unfair competition.

The case was important for British industry as it covered imports of cross-ply and fabric-braced radial car tyres—half of the Community production of these tyres comes from UK-based companies.

The matter was formally raised before the EC a year ago by the British Rubber Manufacturers' Association.

Because of the number of exporters involved and the 23 types of tyres, the investigation proved complex, but the EC said it found that all the producers named in the complaint had been dumping by varying amounts.

East European tyre imports have grown in the past few years to take some 5 per cent of the British replacement tyre market. The overwhelming majority has been cross-ply tyres, a product fast disappearing from West European markets in favour of the steel-braced radial. The latter is also replacing the fabric-braced radial, which has also accounted for a small share of East European imports.

Prices will now be raised to levels closer to those of domestically produced tyres.

The British Rubber Manufacturers' Association said yesterday that the imports had been selling at a landed price of between £2.70 and £4.50 a tyre below cost of production.

It said that although it was satisfied with the outcome of this complaint, "we will be watching the results of these increases closely to see if they have the desired effect. We are also keeping a close eye on other cheap Eastern European imports, in particular steel radial car tyres which were not included in this complaint."

Sasol promotes exports to black Africa

BY QUENTIN PEEL IN JOHANNESBURG

SOUTH AFRICA'S major oil refiners should be looking increasingly to black Africa for markets for their products, as South Africa's increasing synthetic fuel production leaves it with excess capacity, Dr. D. P. de Villiers, chairman of Sasol, the oil-from-coal producer, says.

In a tacit admission of the oil companies' concern at over-capacity in their South African refineries, Dr. de Villiers said the South African Government and the oil majors should co-operate to review import duties and harbour and transport charges to promote greater export or refined fuels. South Africa should be able to achieve an "unassailable position" as a refiner of crude oils for smaller African countries, he said.

Ironically, South Africa has reduced its supplies of refined fuels to other African countries because of its own difficulties in buying oil in the wake of the revolution in Iran — which previously provided 90 per cent of South Africa's imports. Botswana, Lesotho and Swaziland are all dependent on South African supplies, but Malawi has been forced to look for alternative sources.

Of the four major refineries in South Africa, Shell and BP jointly own the largest, in Durban, with an estimated capacity of more than 200,000 barrels a day. The Mobil refinery in Durban has capacity of 100,000 b/d, followed by the National Petroleum refinery, in which Sasol has the majority stake, capable of producing some 75,000 b/d, and Caltex, in Cape Town, estimated at some 60,000.

Total capacity, in excess of 400,000 b/d, was already excessive, Dr. de Villiers told a engineering convention. It was obvious that spare capacity would increase as Sasol 2, followed by Sasol 3, came on stream, he said. The combined output of the Sasol plants has been put at 47 per cent of South African liquid fuel consumption.

Total capacity of the South African refineries was equal to 55 per cent of the present needs of the rest of Africa, excluding the Mediterranean countries and Nigeria, he said.

The oil majors in South Africa have been privately expressing their concern at the Government's crash programme to reduce its reliance on crude oil imports, for fear of a total embargo. Several have become involved in tentative plans for methanol production, as well as coal exports, apparently as a means of insuring their future.

Bahrain seeks stake in Caltex refinery

BY ANDREW WHITLEY

BAHRAIN has begun negotiations with Caltex, the jointly-owned subsidiary of Standard Oil of California and Texaco, to take a major share in its large refinery on the island.

The Bahrain Petroleum Company (BAPCO), a Caltex subsidiary which owns the refinery, has been taken by surprise by the Government move. All of Bahrain's oil is processed by the refinery, in which the Government says it wants to take a 60-75 per cent share interest.

The Government indicated as recently as last December, when it concluded negotiations to take over all BAPCO's production facilities, that it would be leaving the refinery in the hands of the American companies.

Mr. Yussef Shirawi, the Minister of Development and Industry, said Behrain wants to retain its links with Caltex and reach an agreement which would give it an incentive to remain.

The refinery has a capacity of 250,000 b/d, with much of the throughput coming from Saudi Arabia. The exact share to be taken within the declared range will depend on the financial terms reached and the amount of crude oil to be made available to Bahrain by the companies concerned.

In another move to eke out its oil reserves and exercise maximum control over their use, the Government said it is about to launch a tertiary recovery programme at a cost of some \$25-\$30m. Using steam and water injection into oil reserves, it hopes to increase the recoverable element to 28 per cent, well above normal levels, and produce an extra 50m-100m barrels.

Short shrift for Soviet energy move

BY BRIJ KHINDARIA IN GENEVA

ALTHOUGH Western European countries are reluctant to join the U.S. in trade sanctions against the Soviet Union, the pace of trade and industrial co-operation between Eastern and Western Europe has slowed considerably as a result of Soviet presence in Afghanistan.

The extent of damage to economic detente emerged at the annual session of the Geneva-based Economic Commission for Europe (ECE) the UN body composed of all Eastern and Western European countries, the U.S. and Canada.

The Soviet Union's most cherished effort—calling a ministerial meeting of ECE countries to discuss co-operation in energy—was given short shrift by the West at the two-week session which ended here last weekend.

The West was unresponsive, although energy is a field where Western countries can gain considerably from partnership with the Soviet Union, in contrast to trade and industrial co-operation which usually brings greated benefits to the economically backward Eastern countries.

According to Mr. Janez Stanovik, the ECE executive secretary, the Soviet Union's vast natural gas reserves can render yeoman service to the West in coming years, as oil supplies become rarer and more expensive.

But as a West European ambassador put it: "We cannot afford to have ministerial conferences with the Soviet Union at a time when public opinion in our countries is appalled with Soviet occupation of Afghanistan."

But he was careful to differentiate between the Soviet Union and Eastern European countries. The main problem in joining President Carter's trade sanctions against the Soviet Union is that the Eastern European countries will end up suffering more than the Russians.

Trade sanctions against the Soviet Union cannot be successful without similar sanctions against its Eastern allies which would strengthen the Soviet hold over those countries, he said.

A senior ECE official said any U.S. ban on "secondary and tertiary" oil technology exports to the Soviet Union would "really hurt" that country. Such technology is used mainly to process crude oil and to provide inputs needed for oil exploration and exploitation.

Such a ban would slow down Soviet oil output, but would also sharpen pressure for oil price increases.

"What matters today is not the oil supply situation for individual countries but the global demand and supply of oil. If Iran turns to the East to sell its oil, the Soviet Union might continue to be an important oil exporter to the West while itself importing from Iran. But oil prices will increase and all European countries will be hurt," he added.

Another cherished Soviet proposal which got a frosty reception from the West was for a ministerial conference to discuss co-operation in transport.

Such co-operation is crucial for Eastern countries which must increase trade with the West to loosen the Soviet grip on their economies.

Better transport facilities would also promote East-West tourism and easier exchanges of information—elements emphasised by the West in the Helsinki European Security Conference's final act.

Referring to rising East-West tensions, Mr. Stanovnik said it was "a miracle" that the session did not degenerate into a confrontation. He added that he expects to make "a rather positive" report to a meeting in Madrid next November to review implementation of the Helsinki Conference's final act.

Nott seeks business in Brazil and Nigeria

By Hugh O'Shaughnessy

MR. JOHN NOTT, the Trade Secretary, goes to Brazil and Nigeria this month amid fears for British exports to the former, hopes for the latter and an impression of official nervousness about the visit.

Britain's exports to Nigeria doubled to £250.6m in the first quarter of this year, compared to the same period last year. Ther are hopes that Nigeria's plans to spend its growing oil revenue on projects such as a new capital and steel works could give big new orders to British companies. At the same time, Britain's purchases from Nigeria have been falling fast as this country becomes more self-sufficient in that commodity which makes up the bulk of Nigeria's export, oil. In the first quarter of this year, Nigeria's sales to Britain totalled only £31.6m.

The Minister's appointments are not yet confirmed as the Nigerian Government is fully engaged in the current Organisation of African Unity meeting, but Mr. Nott expects to see senior members of the Nigerian Government in Lagos.

Increasing stringency in Brazil, as a consequence of balance of payments problems and mounting foreign debt, have hit British sales prospects there and, in the first quarter of this year, the figures, at £60.1m, were only two-thirds of what they were a year previously. Imports from Brazil rew eabout constant at £75.9m. Barzil is hoping to balance its trade this year at \$20bn, but much will depend on the price of oil. The country has been hard hit by rising oil prices as it has to buy 80 per cent of its supplies abroad.

Iran flights cut by BA

BRITISH AIRWAYS is reducing its services from London to Iran from one a day to three a week.

The service was cancelled for the last three days because no passengers booked.

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Post Office confirms borrowing request

BY GUY DE JONQUIERES

THE POST OFFICE has confirmed that it is seeking Government permission to horrow to help finance expansion and modernisation of Britain's telecommunications system.

Mr. Peter Benton, managing director of Post Office Telecommunications, said yesterday that the aim was to increase the system by 50 per cent over the next ten years. This would bring it level with the West German network, the second largest in the world after the U.S.

He said that the Post Office planned to invest about £1.5bn in exchange modernisation, network renewal and related services. It had asked the Government for permission to finance "a very small proportion" of this sum through borrowing.

Mr. Benton would not disclose the exact size of the request. However, the Post Office is understood to want to spend about £150m more than its £1.5bn cash limit in the current financial year. It is believed up to 20 per cent of its future capital requirements should be met through borrowing.

At present, the Post Office's capital spending on telecommunications is self-financed. The Government has responded coolly to requests for borrowing authority. Its attitude was a major reason behind the decision of corporation's chairman Sir William Barlow to resign.

Mr. Benton hinted, however, that the Government might be softening. "I am quite sure that in the year just coming we will be borrowing something," he said. "The issue is how much."

If the Post Office's request were refused, it would face a "very difficult choice" between slowing its investment programme or seeking the financing needed through an increase in customer charges.

Mr. Benton said that the corporation was pursuing an eight-point programme to make the UK's telecommunications system one of the most up-to-date, efficient and reliable in the world. Top priority was being given to replacing ageing and efficient exchanges, and 1,150 electronic exchanges had already been installed.

It aimed by the end of this year to halve the current waiting list for telephone installations, standing at about 500,000 sets. By 1985, it planned to reduce the level of faults per telephone and exchange to or below current standards in the U.S.

Between 1978 and 1982, the Post Office planned to reduce the cost of its services to customers by 5 per cent every year in real terms. It had exceeded this target last year.

It was doing this while devoting extra resources to curing problems in cable networks, increasing reliability of standard telephones by introducing new models and components, installing more modern pay phones and improving the international service.

It was also seeking to respond more quickly to customer needs by decentralising management authority, improving purchasing and supply methods and establishing better internal staff relations.

● Mr. John Lyons has been appointed part-time member of the Post Office Board for three years from May 1, 1980. Mr. Lyons is general secretary of the Engineers' and Managers' Association and the Electrical Power Engineers Association.

Government names chief executives for urban corporations

BY ANTHONY MORETON AND ROBIN PAULEY

THE GOVERNMENT yesterday appointed Mr. Reg Ward, chief executive of Hereford and Worcester, as chief executive of the new urban development corporation for London's docklands.

It also announced that Mr. Ronald Turton, aged 43, chief executive of Halton Borough Council in Cheshire, is to be chief executive of the corporation based on Merseyside.

The appointments were unveiled in the Commons by Mr. Tom King, Minister of State at the Environment Department, during the committee stage of the Local Government, Planning and Land (No. 2) Bill.

Mr. Ward, who is 51, began his working life as an inspector of taxes. He switched to local government with Lancashire County Council and other councils, and also served with Irvine new town in Scotland. It is understood his salary will be £26,000 a year.

Mr. Turton, who will receive £22,500, has had a similar career with local government and new towns. He was also a member of the North West Economic Planning Council for five years until that quango was abolished last summer.

The chief executives are the first appointments to the boards of the two corporations other than the chairman and deputies. London's chairman is Mr. Nigel Broackes, chairman of Trafalgar House, and his deputy Mr. Bob Mellish, MP, a former Labour chief whip. In Liverpool the chairman is Mr. Leslie Young, chairman of J. Bibby and Sons, with Sir Kenneth Thompson, Conservative leader of Merseyside County Council, as his deputy.

There were 460 inquiries for the two posts, of which 160 turned into firm applications.

The Bill allows up to 13 board members and provides for the corporations to begin operations officially by January 1, 1981. The London corporation, likely to be called the Docklands Urban Development Corporation, will probably have a full complement.

Mr. Young is understood to want to keep some places in reserve. It is possible that only 10 or 11 members will be appointed in the first instance. The Minister and the two chairmen are consulting over the selection of board members.

Log-jam

Mr. Michael Heseltine, Environment Secretary, has abandoned hope of getting the Bill through all its committee stages before the summer recess because of the log-jam of legislation building up for the Lords. The Bill is expected to complete its Parliamentary passage in the over-spill stage after the recess and to be on the Statute Book in November.

Mr. King said the previous organisations dealing with the redevelopment of derelict areas in the London and Liverpool docklands had made some progress but nothing like what was required for a problem of this scale. The Government was proposing a new imaginative approach.

Mr. Nigel Spearing (Lab., Newham South) accused the Government of introducing the corporations without any consultation with the local authorities which would be affected.

Mr. King said consultation had been and would be carried out with the local authorities.

Jobs at risk, says GKN

By Arthur Smith, Midlands Correspondent

GKN SANKEY has warned the 5,500 workers at its Telford plant that redundancies will be "inevitable" unless there is a quick improvement in demand.

The company, which makes pressings, such as wheels, and tractor and lorry cabs, blames its problems on the generally depressed state of the motor industry.

Wilmot Breeden, which supplies locking mechanisms and bumpers to the motor industry, is also thought to be considering about 300 redundancies at its two Birmingham factories.

Many Midland component companies are looking for cuts of about 10 per cent in their workforces in the next 12 months in response to weak demand. Union leaders at Lucas Electrical have said the company hopes to lose up to 2,000 jobs at its 13 factories around Birmingham.

GKN said last night it was impossible to comment on the size of redundancies until a review had been completed. Details would be announced to employees on May 15.

In a statement to union negotiators GKN said: "The lorry drivers' strike in 1979, the CSEU action later that year, the steel strike, unconstitutional action, and the general economic climate have all contributed to the loss of orders and the immediate outlook is extremely poor.

"Sales forecasts have been showing steady downturns in demand, and the purpose of this statement is to make you aware of the extremely serious situation.

"All forecasts are being re-examined, and unless there is an immediate major improvement redundancy will be inevitable."

London Transport loses £31.4m

BY LYNTON McLAIN

LONDON TRANSPORT lost £31.4m last year—its worst trading results for more than a decade. It had to use its entire reserves to bring the deficit down to £15.7m to be carried forward to this year, according to the annual report published yesterday.

The results came as a confidential report, which may lead to the restructuring of London Transport, was being considered by leaders of the Greater London Council and London Transport Executive. The council subsidises London Transport with more than £100m a year.

The report is on means of halting London Transport's decline and on the way it operates.

It was commissioned by the executive from PA Management Consultants in December, when allegations of waste and lavish management style made by Mr. Leslie Chapman, a part-time executive member, were published.

Sir Horace Cutler, GLC leader, said last night the report should be published "in the public interest."

London Transport said the document was private, but it w document was private, but it would discuss with the GLC the possibility of making the report public.

Sir Horace said: "We have got to crack the nut of London Transport and this time we have got to crack it hard."

It condemns many London Transport practices and mentions the "cosiness" of much of the operation.

Mr. Ralph Bennett, chairman of the executive, said in his annual report that 1979 was a "year of frustration" for many passengers, as well as for London Transport.

A major reason for the results was the level of pay increases. This was more than double the 5 per cent budgeted for, in line with prevailing Government policy. But there were also operational problems.

London buses operated almost 20 per cent fewer miles in service than the schedule of 202m miles. The total was 164.8m miles — more than 7m miles lower than in 1979 and more than 13m miles lower than the GLC target.

The number of bus passengers fell more than 5 per cent to 1,234m compared with 1978.

The 1979 total is the lowest for more than 19 years and compares with the 1970 total of more than 1.5bn.

Mr. Bennett said traffic delays caused one sixth of bus mileage lost. But the main causes were problems of staff and bus availability—the latter due to maintenance and technical difficulties.

Sir Horace said the traffic congestion problem was not one for London Transport Executive. In any event "cars and lorries are essential for life in London." It was London Transport management's function to tackle the much bigger problems of bus defects and staff.

But Mr. Bennett said in the longer term "drastic measures, such as supplementary licensing or toll systems seem inevitable if buses and other efficient users of fuel and road space are to be free to carry residents and visitors."

On the Underground the number of passenger journeys increased from 569m in 1978 to 594m, although the latest figure was 12 per cent lower than in 1970. However, use declined marginally. The 2,774m passenger miles operated compare with 2.8bn in 1978.

The decline was caused by train staff shortages and absenteeism and unreliability of the pre-1939 trains on the District and Bakerloo lines.

Barclays puts £5m into small factories

BARCLAYS BANK is to invest £5m in the building of small factories—giving further impetus to Government plans for helping industry by combined State funds with private sector finance.

The State-owned English Industrial Estates Corporation will build the units in assisted areas, when the Industry Bill becomes law, probably at the end of this month.

In recent months a total of £25m has been raised for the construction of small factories being developed by the Industry Department, of which £20m has come from the private sector. The National Coal Board Pension Fund has provided £15m and Legal and General Assurance Company £5m.

Mr. David Mitchell, Parliamentary Under-Secretary of State for Industry, said yesterday that the investment of private sector finance was "a direct consequence of a recent report commissioned by the Department of Industry which identified a significant shortage of small industrial premises and of the Government's immediate response to it."

Winter oil use down by 12.7%

By Martin Dickson

BRITAIN'S oil consumption fell 12.7 per cent in the three months from December to February compared with the same period last year, due largely to the mild winter and a shift away from the burning of fuel oil at power stations.

Energy consumption fell 4.9 per cent, according to the latest issue of Energy Trends, the monthly statistical bulletin.

Much of this was also due to temperature differences between winter 1978-79 and the milder one of 1979-80. On a seasonally - adjusted and temperature-corrected basis energy consumption in the three months to last February was at an annual rate of 3404m tonnes of coal equivalent only 0.3 per cent less than the comparable period a year earlier.

Petrol deliveries were up 6.2 per cent, suggesting that the recent round of price rises did little to force conservation on the motorist.

Coal production of 35.1m tonnes in the first three months of 1980 was 8.6 per cent higher than a year earlier. Consumption fell 2.9 per cent to 35.6m tonnes.

National debt rises

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE UK's national debt has risen by just under a tenth in the last year.

Mr. Nigel Lawson, Financial Secretary to the Treasury, indicated in a Commons written answer that sterling and foreign currency national debt amounted to £95.42bn on March 31 this year.

Outstanding sterling national debt rose nearly 10½ per cent to £91.25bn in the 12 months to the end of March. This was substantially less than the rate of inflation and indicates that there has been a further fall in the real burden of national debt as a proportion of national income.

Interest payments on this sterling debt were £7.9bn in 1979-80.

Foreign currency debt, principally Government syndicated credits and North American loans to the Government, amounted to £4.17bn at the end of March.

Extra oil blocks should boost offshore activity

BY RAY DAFTER, ENERGY EDITOR

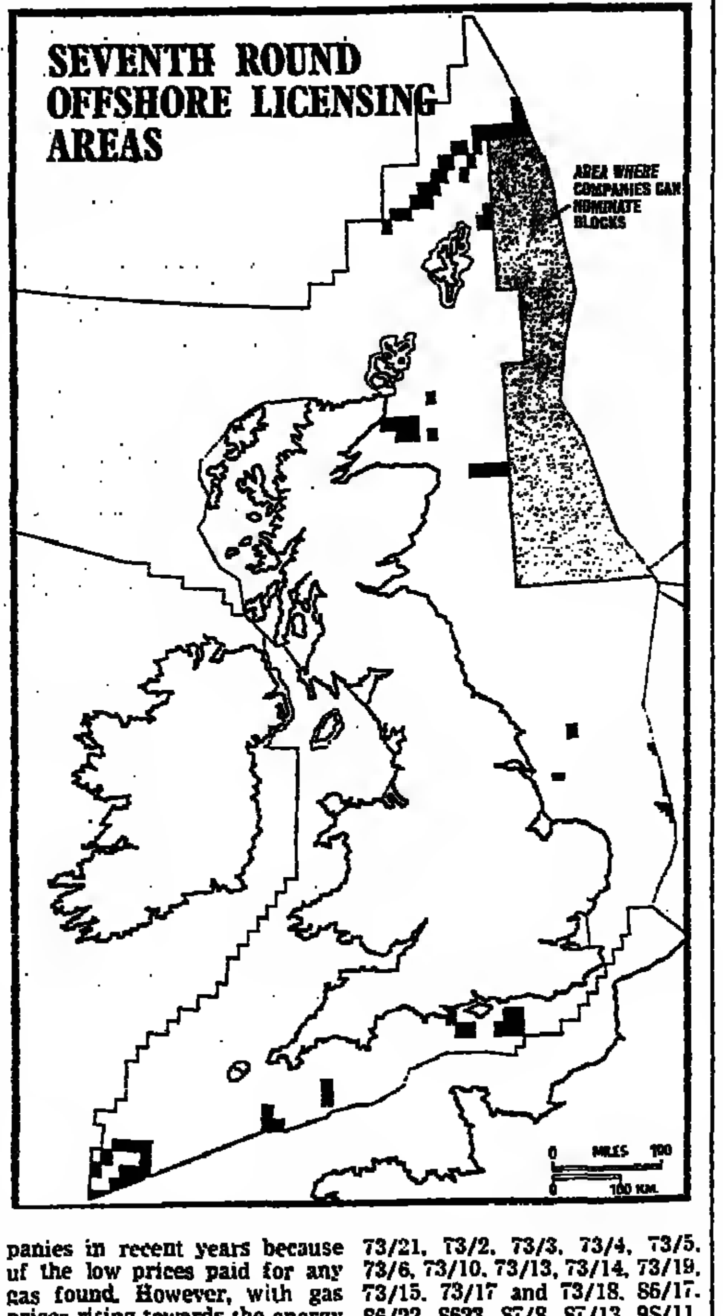
THE 90 NEW BLOCKS to be awarded under the seventh round of licences should raise the pace of offshore activity and help to underwrite UK oil production well into the next century, Mr. Hamish Gray, Minister of State for Energy, said yesterday.

The new licence, he said, should enable oil companies to recall exploration rigs to the UK Continental Shelf that have had to be moved to other offshore areas in the past couple of years.

Following consultation with the industry, concerned with the lack of exploration opportunities, the Government is offering more blocks than originally intended. It was planning to licence 70 blocks: now it will offer about 100 in the hope of obtaining licensees for 90 of them.

For the first time, companies will be invited to nominate a proportion of the blocks—around 20 of them in the northern part of the North Sea. This offshore area contains most of the known UK oilfields: its geology is reasonably well defined.

These specially-nominated blocks are likely to be keenly contested in the seventh round: the chances of exploration success will be higher than in many of the other blocks on offer. Consequently, the Government is asking licensees to pay a premium of £5m for each block or part block.



As expected, blocks on offer are spread around most of the prospective areas of the UK Continental Shelf.

Deep water areas to the north and west of the Shetland islands also feature prominently. British Petroleum is among companies which have discovered a large deposit of difficult-to-produce heavy oil west of the Shetlands.

Blocks in the Moray Firth and north east of Aberdeen are likely to attract a good deal of interest, largely because of their proximity to proven oil fields.

Significantly, the Government is also including in the seventh round a few blocks in the southern gas-producing region of the North Sea: an area out of favour with exploration companies in recent years because of the low prices paid for any gas found. However, with gas prices rising towards the energy value of crude oil, exploration companies have become interested in searching for gas.

Blocks on offer: 1/4, 1/5, 11/25, 12/21, 12/22, 12/23, 12/24, 12/27, 12/28, 12/29, 13/11, 13/26, 20/11, 20/12, 20/13, 20/14, 20/15, 43/26, 47/14(b), 49/10(b).

50/16, 50/12, 50/26(b), 54/1(b), 72/15, 72/25 and 73/21, 73/2, 73/3, 73/4, 73/5, 73/6, 73/10, 73/13, 73/14, 73/19, 73/15, 73/17 and 73/18, 86/17, 86/22, 8623, 87/8, 87/13, 98/11, 98/17, 98/18, 99/12, 99/13, 99/16, 99/18.

206/1, 208/9, 208/10, 208/14, 208/16, 208/17, 208/18, 208/21, 208/22, 209/1, 209/2, 209/4, 209/8, 209/12, 209/30, 214/25, 214/27, 214/28, 214/29, 218/29, 218/30, 219/20, 219/25, 219/27, 219/28, 219/29, 219/30, 220/16 and 220/21 and 220/22, 220/26, 220/27.

Rolls-Royce developing new RB-211

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE is working on an advanced version of tha RB-211 engine, the Dash 524-D4, which will be the most powerful development of the engine.

At 53,000 lbs thrust, it is intended for use by Boeing in a new version of the 747 Jumbo jet planned for delivery in 1983, which will have an extended upper deck cabin, and which will seat 447 passengers against the present 416.

The Dasb 524-D4 will also be put into earlier models of the 747 already on order by Quantas of Australia, and is on offer to other major world airlines.

But the competition is fierce, with Pratt and Whitney of the U.S. offering a 54,750 lbs thrust version of its JT9D engine, called the 7R4G-2, and General Electric offering a 56,000 lbs thrust version of is CF6 engine, called the 80C/C1.

Boeing also has plans for a Super Jumbo with the upper-deck cabin extended throughout the fuselage, enabling the aircraft to carry up to 660 seats.

For such a development, which is not likely to emerge until the late 1980s, the engine companies will be asked to supply power-plants of even greater thrusts, probably close to 60,000 lbs.

These new engines will also be required to operate at even better fuel efficiency than at present, in view of soaring fuel costs. The Dash 524-D4 has a 5 per cent better fuel consumption than earlier 524 versions of the RB-211.

This kind of continued engine development is one of the reasons why Rolls-Royce needs another £180m cash support this year, as announced in Parliament earlier this week.

Althougb part of the additional cash will cover losses incurred because of the weakness of the dollar against sterling—Rolls-Royce sells many engines in dollars but incurs its manufacturing costs in sterling—it also needs cash to continue major development

In addition to the new 524-D4 for the 747, these programmes cover engines for other new Boeing aircraft.

Rolls-Royce has begun work with the Japanese engine companies, Mitsubishi, Kawasaki and Ishikawajima-Harima Heavy Industries, on the RJ-500 of about 20,000 lb thrust, which Boeing may choose for a new version of the short-range twin-engined 737 jet, called the 737-300.

Chemists set Tuesday deadline for appointment of review body

BY SUE CAMERON, CHEMICALS CORRESPONDENT

BRITAIN'S 9,500 pharmacists will plan industrial action unless the Government agrees to set up an independent review body to look at their pay. The deadline is Tuesday.

Mr. Allan Smith, chief executive of the Pharmaceutical Services Negotiating Committee, said yesterday chemists did not want to take action. They had no argument with patients.

But successive Governments had treated them "very shabbily" for years. If an independent body was not set up, they would bave "no option but to start industrial ection."

Mr. Smith said pbarmacists weren ot making a specific claim. They were merely asking for the implementation of the recommendations of the Franks committee. This was set up to look at chemists' profits and called for an independent review body wben it reported last October.

Chemists' average gross pay was £17,000 a year, from which staff costs and other overbeads had to be met.

Mr. Smith appeared to rule ont the possibility of a strike. But action, such as one-day atrikes in various regions, or a refusal to dispense prescriptions except for e couple of hours each day, might be considered.

The Government bas promised to reply by May 6. An early day motion calling for a review body and signed by more than 100 MPs, including Mr. David Ennals, former Secretary of State for Social Services, bas been put down in the House of Commons.

The chemists believe an independent body would be bound to give them e better deal because their case for higher pay is so strong. But they fear the Treasury may be trying to block their demand for a review body for this reason.

Thomson predicts boost in holidays abroad

BY ARTHUR SANDLES

CONFIDENCE IN the continued growth of holidays abroad by the British is reflected in the latest winter sunshine brochure produced by the nation's biggest tour company, Thomson Holidays.

"The worse the situation at bome becomes it eppears that the higher the boliday break is on the family list of priorities," said managing director Mr. Roger Davies.

If the predictions are correct then there are considerable implications for the British tourism rtade account. The UK makes a substantial profit on touism, but optimism about the numbers going abroad has been matched by pessimism about the number of foreigners likely to visit Britain this year.

The foreign travel industry is being aided by sterling's strength and by the depression in other tourist genereting markets in Europe and North America. This has meant resort attract British custom.

British tour operators and areas are eager to deal with

These factors may bave belped Thomson to keep its price increases down to an average 8.4 per cent, it claims. Prices range from £69 for one week in Malta to a basic price of £640 for e trip which includes California and Tahiti.

Fund seeks investment in Wales

By Our Own Correspondent

THE NATIONAL Coal Board's pension fund yesterday launched a major drive to find investmant opportunities in Welsb industry.

Directors of the fund told more than 100 leading Walsh industrialists and civic leaders at a conferenca in Cardiff how they were prepared to invest.

Mr. Robert Juddery, e fund director, said he believed there were good opportunities in the medium and long tarm.

Mr. Philip Weekes, the board's area director, said: "I hope the conference will generate investment in Wales. If ever it was needed, it is needed now."

The conference was one of a series the fund is organising in Britain's regions. The aim is to get more investment in industry, instead of the traditional pension fund sector, such as city centre and office development.

The fund, tha second biggest in Britain, is believed to be the first such gronp to leunch this kind of campaign.

Mr. Lionel Anthony, the depnty director-general, said they bad £45m a year to invest in industry, about 15 per cent of casb flow. The fund was interested in projects of £500,000 to £2m, bnt bad recently joined a group to finance investments of £100,000 and less.

This group, known as the Exempt Fund, was also interested in risk financing start-np companies.

Electronics industry 'faces decline in trading prospects'

BY ELAINE WILLIAMS

A "MARKED deterinration in trading prospects" for the UK electronics industry is expected by the Electronic Engineering Association.

Mr. John Sutherland, the association's president, said although 1979 was a good year for the industry, industrial problems and inflation have combined to damage future profitability and competitiveness.

At the association's annual dinner last night, attended by Prince Charles, Mr. Sutberland said Britain needed a public procurement policy committed to buying British prodncts "even though this may sometimes be less attractive in the short term."

He said many of the UK's competitors enjoyed e large secure home market for products developed at their own government's expense.

In 1979 the UK electronic capital equipment industry recorded sales worth £1.4bn, of whicb more than £500m was directly exported. About £140m was contributed to Britain's balance of trade.

The association'a annual report said about 42 per cent of the industry's output was exported in recent years. This excludes clectronic equipment sold to UK manufacturers for use in the export of aircraft, ships and other systems.

Despite full order-books for most companies, the association said: "It is doubly important for UK public purchasing authorities to stand firm in providing the essential bomc base for the industry over adifficult period, as a springboard for exports."

Euronet information available to UK

BUSINESS INFORMATION stored in computers throughout Europe is now available to UK companies through a system called Euronet/Diane, set up by the Post Office, writes Elaine Williams.

Euronet's introduction marks another step to the integration of telecommunications and computer or data technology.

Euronet/Diane is an information retrieval service which allows nsers in the EEC to obtain information on topics such as industry statistics, law, agriculture and exports. The information is stored on several computers in the Community.

Eventually there will be 23 computers in the network, storing more than 130 individual files, called databases. In the UK customers can now contect 13 computers holding more than 100 files.

Contract between customers' information terminals and the computers is via Euronet's telecommunications network, a packet-switched system. Data is transmitted in blocks or packets rather than in a continuous stream.

This means users do not need to have compatible aquipment with the companies owning the computers because a packet-switched netwnrk can handle fast and slow machines.

The system was initially sponsored by the European Commission for use in tho Community, but negotiations are underway to extend the network to Switzerland, Sweden and Spain.

It is also feasible for the system to link with other packet-switched data networks.

Last year the U.S. Gencral Telephone and Electronics Corporation took over the Telenet Corporation. This subaidiary was a pioneer in the commercial applications of packet-switched networks. The Telenet system provides communication between computer and data terminals throughout the U.S. as and between the U.S. and a growing number of overseas countries.

Revenuc from Telenet activities was $8.9m in 1978.

With the merging of telecommunications and computer networks there are many other possibilities for information systems. Viewdata, which can link a modified television set to a computerised library of Information, was originally designed for telepbone networks but could easily be adapted for data networks such as Telenet or Euronet.

Professor Günter O. Eser, member of the Executive Board, Lufthansa.

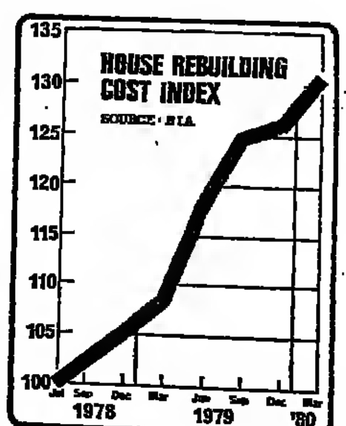
Home rebuilding cost up 20.5% in year

BY ERIC SHORT

HOUSE REBUILDING costs increased 3.6 per cent in the first quarter of this year and 20.5 per cent in the past 12 months, says the British Insurance Association.

The increase in its rebuilding index, designed to show the value of homes fnr insurance purposes, reflects a rise in costs of materials and new wage awards for plumbers and electricians. A minor effect on costs arises from a change in bolidays for building workers.

The index is calculated in conjunction with the Royal Institution of Chartered Surveyors' building cost information service. It was started at the end of Jnly



1978 with a base value of 100. The value fnr March 31 was 130.7.

Widespread foundry closures forecast

BY ROY HODSON

A BLEAK future for two sections of the metal-using industry, foundries and forgings, is forecast in surveys publisbed by Inter Company Comparisons.

Only four companies amoog the 60 laading Iron founders are listed as baving "the resources of management and equipment to survive the current catastrophic decline in this sector."

They are C. and B. Smith Foundries, Davy Roll Company, Midland Motor Cylinder, and Sterling Metals. Smith Foundries and Sterling Metals are subsidiaries of Birmid Qualcast, the largest iron foundry conglomerate in Britain.

Iron founders are heavily dependent on the motor car industry, and last year imported vehicles acconnted for 56 per cent of the UK market.

ICC's analysis suggests that companies in the foundry sector will try to survive by exporting more while retaining strong home market links with good quality products delivered on says: "Survival depends on a time and at tha right prices. It very alert management being opportunities and taking the able to identify new marketing workers with them in the drive to establish a viable future manufacturing base."

Exports will not be an easy alternative to the home market for foundries. The ICC report estimates that Europe now has an over-capacity in iron foundries of abuut 60 per cent and that the developing natinns will prefer to import the technology rather than finished products.

Further rationalisatinn in the drop forging and stampiog industry is inevitable, says the report. During the past three years, the British drop forgers have seen their average profit margins fall from 6.5 per cent a year to 4 per cent, while average return on investment fell from 14 per cent to 8.4 per cent.

* *Iron Founders: an industry sector analysis, £65; Drop Forgers: an industry sector analysis, £65. Inter Company Comparisons, City Road, London, EC1.*

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Unilever to close MacFisheries

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE MAC FISHERIES chain of 55 small fresh fish and grocery shops will be closed by the end nf the year, Unilever said last night.

The move follows Unilever's decision last year to sell its Mac Markets supermarkets to International Stores, which is owned by BAT Industries.

The Mac Fisheries closure will mean the loss of 550 jobs. Employees may well be retained in some shops.

Unilever hopes to raise abont £7.5m from the sale of the shops after all closure costs have been taken into accennt.

Mac Fisheries was at one time the largest fishmonger in the world. It had more than 400 shops soon after the war.

The shops have been nnder pressure for many years becanse of their small size, which made them expensive to operate efficiently, and the decline in consumer demand for fresh fish.

Unilever responded by opening separate supermarkets under the Mac Markets name to take advantage of the trend toward large stores.

It decided last summer that in the tougher trading conditions expected in grocery retailing in the 1980s it was hetter to pull out of supermarkets altogether.

International is understood not to have wanted to huy Mac Fisheries as well, since the shops lost aboot £1m in the past three years.

Unilever is keping its fish wholesaling and processing operations, and said yesterday that it planned new investment at its Fraserburgh factory in Scotland to increase productivity.

● F. W. Woolworth will offer 12 major prodocts, such as andio eqoipment and watches, in special cut-price promotions for eight days at a time.

The move indicates the problems which most retailers face in trying to maintain sales volume as price inflation erodes consumers' disposable income.

Provisional retail sales figures for March, issued this week, show a 1.1 per cent fall in volume compared with February.

Clock sells for £23,000

SALEROOM

BY ANTONY THORNCROFT

A SMALL walnut longcase clock made by Thomas Tompion in London in the early 1680s sold for £23,000, plus the 11.5 per cent buyer's premium and VAT, at Sotheby's yesterday. The clocks and watches sale totalled £233,095.

An ebony veneered bracket clock by Joseph Knibb went for £10,000. R. A. Lee, the London dealer, bonght an ebony veneered longcase clock by Peter Knibb, cousio of Joseph, for £8,000.

In the sale of miniatures from the Holzscheiter collection, a Swiss dealer paid £14,500 for a miniature of David and Bathsheba attrihuted to Georg Hufnagel and dated 1592.

A miniature by Jean-Baptiste Isabey of Madame Senons, dated 1833, sold for £14,000. One of about 1815 of the actor Henry of the Comédie Française realised £7,500.

British Steel at the crossroads

BY ROY HODSON

SALES AND gnancial problems facing British Steel Corporation are so severe that the existence of the husiness in its present shape and form is heing questioned.

Mr. Ian MacGregor, who will take over the chairmanship from Sir Charles Villiers, in Septemher, has heen told by Sir Charles that the crisis is so fundamental as to threaten the corporation's role as one of the world's leading steelmakers.

Swingeing cut io Britsh Steel production planned for this year are proving to he too little and too late in the face of declining world demand for steel.

British Steel's strategy, to reduce crude steelmaking capacity from 21.5m tonnes to 15m tonnes a year as quickly as possible, has heen delayed by the three-months steel strike. The iron and steel labour force is to be reduced from 152,000 to about 100,000 in the same round of cuts.

Inflation Is forcing up British Steel'a costs at such a rate that the corporation will lose at least £450m in tha current financial year even if the rationalisation target is met. Such a loss will hring the total hurden of nationalised steelmaking on taxpayers to nearly £2bn over six years.

British Stel now appears to have reached the point where the Government may feel forced to intervene beyond its present policy of forcing the corporation to act commercially hy working within tight cash limits. Mr. MacGregor may have already coma to an arrangement with Sir Keith Joseph, the Industry Secretary, for additional aid.

The most attractive solution in the Goverment's view would be the large-scale transfer of parts of British Steel's mainstream iron- and steel-making facilities to private enterprise. That would maintain Britain's total stelemaking capacity at around present levels while reducing the corporation to a mora manageable — and hopefully profitable — size.

The most hopeful sign so far that progress can be made in that direction has been the interest of the Lonrho group huying Shotton works in North Wales.

Since nationalisation of Britain's major steelmaking concerns in 1967 the private sector has almost doubled its share of bulk steelmaking to 20 per cent. Private companies are now in a powerful position to secure a bigger market share by outright purchase from British Steel, or by partnership deals such as the one that has heen discussed in recent months by British Stel and GKN over rod and bar production.

The Government could also help British Steel by agreeing to a capital reconstruction which would enable the corporation to be relieved of np to £200m a year in interest charges.

The worst single feature of the three-months strike has been the clear run give nto foreign producers to build up contactsin the British market. Imports are now running at about 30 per cent of the market compared with only 20 per cent before the strike.

Temporary protection against rising imports might be considered by the Government as a device to enable British Steel to re-establish itself in the home market. In re-ent years its share has averaged 54 per cent.

A coal subsidy might also be considered to enahle the corporation to make steel at a profit hy using high-priced British coal.

Inflation and pay settlements are adding £450m to British Steel's costs in the 18 months to March 1981, but Sir Charles market for steel will be strong enough for the corporation to be able to raise its home prices during that period.

Mr. MacGregor's first hig decision will be either to demand Government support or try to keep the eorporation roughly in its present form.

He may be influenced by Sir Charles's view that nothing less than a new Government strategy for naionalised steelmaking will be sufficient to rescue the industry from its cycle of big financial losses.

The 'workaholic' who will plan BSC's future

BY JOHN ELLIOTT IN LONDON AND IAN HARGREAVES IN NEW YORK

AN EXPERIENCED industrialist in his 40s with the toughness and commitment shown by Sir Michael Edwardes at BL—that was Whiteball's basic job description when the hunt for a new chairmao of the British Steel Corporation hegan a year ago.

Yesterday, a 67year-old Scotsman from New York, who has not worked full-time in the UK for 35 years, was prondly named by Sir Keith Joseph, Industry Secretary to the joh at a cost to the Government of up to £2m.

As widely rumoured, he is Mr. Iian MacGregor, a metallurgical engineer who has world-wide business interests, especially in the U.S. and Scotland, and an international repntation as an industrialist.

H ehas heen offered and has refused the BSC chairmanship in the past, and in 1977 nearly hecame chairman of BL. He is now BL's deputy chairman and a committed supporter of Sir Michael Edwardes' hard-line policies.

It would be polite, but not exactly true, to say that he does not look his age. He has a spreading figure, which perhaps contrihutes to the indifferent golf which, with fishing his colleagues say provides his main recreation. That figure, and silver hair, place hi min the late-60s age range.

Trained as a metallurgist in Scotland, he fonnd himself in Washington at the end of the war offering technical advice oo arms purchasing. He decided to stay, ironically, it is said, because Labour's post-war nationalisation of steel made him prefer life in the U.S.

It was at American Metal Climax (now AMAX), which he huilt np from 1966 to 1977, that he gained a reputation for skilful man management — usually MacGregor's attributes by colleagues in spite of his technical hackground. Canny dearing of world political events of the kind vital to international natural resource companies, and a willingness to take big, sometimes toogh decisions against the grain of apparent economic trends, are his other widely sung attrihutes.

He is still the honorary chairman of AMAX where he holds other appointments, and is a general partner in Lazard Freres, the New York investment hank.

In all he has approaching 20 high level appointments. In the U.S., these include being chairman of Alumax, and a director of Singer (which bas been involved in Scotland's Clydebank problems). He is also a director of American Cyanide, Brunswick Corporation, LTV Corporation, and Botswana RST.

In Scotland he is a director of the Atlantic Assets investment trust. On a wider international secene he has been president of the International Chamher of Commerce and has worked on hodies involved with the Organisation for Economic Co-operation and Development and U.S. trade relations with Europe and Japan, thus gaining extensive knowledge of how Government's work.

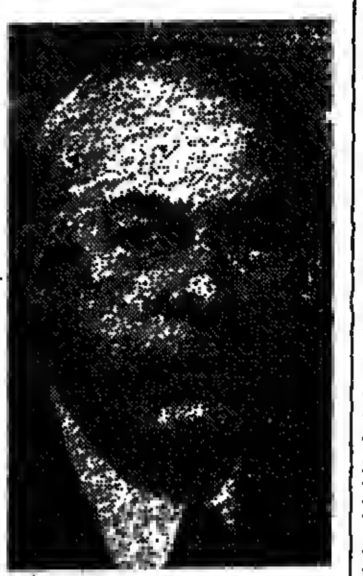
He has assiduous publicity agents hut could not, of course, have held all these posts withoot making some critics and enemies. People have said he does not delegate enough, that he can he rough with subordinates, and that he can he heavy-handed. Certainly the British Steel unions will find that they have a chairman with an ontspoken helief in the profit motive and prodnctivity and little apparent time for trade union opposition.

"He's a man who never stops working," says a colleague. "You talk stock prices, geological developments, industrial relations, economics and general husiness through every meal, weekday or weekend, when you're with him. There is hrillance there. But the main thing is that he has a most highly-developed way of getting people to work together at executive level." Other colleagues, less charitably, say: "He's a workaholic."

He flies regularly to London by Concorde for BL's monthly Board meetings and visited Longbridge two weeks ago, and also uses the Friday overnight New York-Prestwick flight for weekend visits to a six-bedroom house he owns in Argyllshire.

However, bis ties with the UK have remained. He has a Welsh wifa who he married when he worked for British Aluminium hefore the war, and AMAX has had business interests in Scotland and south? west England. He is well known in the Scottish Highlands, where he is regarded as a key international business contact and ideas man—one recent still-born project was tn rebuild the Caledonian Canal as a major waterway for large tankers and freighters.

So far as Britain is concerned, there emerges a mixture of fondness and frustration that tougher noises and more consistent policies have not been applied. His acquaintances asume that politically he is in the Thatcher mould, and he is certainly right hehind, if not inded the originator of, some of the tougher BL postures.



Mr. Ian MacGregor

The other aspect of this internationalism, however, is a first-hand understanding of steel industries in nearly every major country. Alumax is partly Japanese owned and he once remarked that his Japanese partners appealed to him because their hard work fitted his own Calvinist background and because they liked concensus decision making rather than autocracy.

He is also nn stranger to prohlem companies. Although at AMAX It has been mainly a story of diversification and expansion, albeit in an extremely unpredictable industry, MacGregor has also heen an important power behind the throne at Singer.

Ha was the man who offered Joe Flavin the chief executive's joh in 1975 when the company was reeling from a series of unsuccessful diversifications under the leadership of Donald Kircher. He has also provided some of the steel in Flavin's recent cutback programme, one result nf which was the closure of Singer's Clydehank factory in Glasgow.

Inevitably, there will be those who will jnke that in trying to replace one 67-year-old merchant banker, the Government has only managed to find itself another 67-year-old merchant banker who was thought to have retired from mainstream busines life when he gave up the top executive joh at AMAX three years ago.

Aid urged for work on quieter hovercraft

By Michael Donne, Aerospace Correspondent

THE GOVERNMENT should support research into the production of quieter hovercraft as part of the effort to reduce unnecessary noise in everyday life.

A working group on the noise of surface transport, part of the Noise Advisory Council, which studied hovercraft noise, suggests in a report that although hovercraft services are not yet widespread, their noise disturbs some people, and should be dealt with.

It recommends engineering research into he develnpment of quieter propellers for hovercraft engines should be undertaken and attention should be given to the development of improved operating and maintenance handling techniques.

Local authorities whose areas are affected by hovercraft routes should be included in consultations about hnvercraft services. This aspect should be re-examined for the Isle of Wight routes.

A nnise certification scheme should also be considared to encourage operators to replace existing craft with qnieter versions and give manufacturers a target for the design of quieter craft.

The imposition of "noise charges" should also be studied, with a levy being made on every hovercraft movement which violates the noise levels laid down.

The working group says this would encourage the introduction of quieter craft, although the indnstry is so small that it is debatable how long this would take, and bow effective such a levy would be.

The most effective means of reducing hovercraft noise would be by quietening the propellers, either by redesigning them or shrouding them in some way. Tha working group says further work in both areas should he undertaken.

* *Horercraft Noise: Report by o Working Group nf the Noise Adrisory Cnuncil. SO, £2 net.*

Lucas to extend Burnley factory

LUCAS AEROSPACE is to spend £4m developing its manufacturing facilities at Burnley, to meet record orders of about £300m.

The company has bought an additional 100,000 sq ft factory In Burnley and late last year took on an extra 200 workers. Lucas now employs 2,600 in the area, and this is expected to increase slowly.

Most work at Burnley concerns components for the Rolls-Royce RB-211 engine, the McDoonell Douglas Harpooo Missile.

Scots airports 10% busier

THE NUMBER of passengers using Scotland's four main airports — Glasgow, Edinburgh, Prestwick and Aberdeen—went up by nearly 10 per cent last year to nearly 5½m, according to figures from the British Airports Authority.

BOND DRAWINGS

APPOINTMENTS

ANNOUNCEMENTS

CONTRACTS AND TENDERS

PUBLIC NOTICES

CLUBS

TRAVEL

LEGAL NOTICES

LEGAL NOTICES

UK NEWS—LABOUR

Post Office wins pay agreement

BY PHILIP BASSETT, LABOUR STAFF

THE POST OFFICE has won agreement from leaders of computer and executive staff in telecommunications to a pay deal which is its first important step toward common pay bargaining.

The Post Office group executive of tho Society of Civil and Public Sorvants recommends that its 6,500 Post Office members accept tho deal, which will give executive-grade staff increases of 25 per cent, outsido thoir normal annual pay settlement.

Details of the package will be sent out by the unioo next week before it is put to the membership. Officials expect to have the result of the consultation by May 16.

Acceptance of the deal is conditional on the union's agreement to the major restructuring of grades the Post Office Corporation seeks, and on acceptance of common pay bargaining with other unions in oPst Office telecommunications.

Common bargaining has been an ambition of the Post Office for some time. Last year is bought out, where necessary, varying settlement dates, and moved all the telecommunications unions to a common pay date of July 1.

Separate negotiations with al lthe unions for agreements on common bargaining are needed before the first round-the-tablo negotiations can begin.

The Civil and Public Servants' agreement is the first step towards that, though it is understood that the Union of Post Office Workers, the Civil and Public Services Association and the Post Office Management Staffs Association are amenable to agreement.

The deal, which came after threats of industrial action by computer staff, gives a payment of 7 per cent from April 1, with a further 7 per cent from April 1 next year. Further payments the following January would give an overall increase of 18 per cent for higher executive officers and 25 per cent for executive officers.

This will take rates from the present £8,064 for tho former to £9,577 by April next year and for the latter from £6,448 to £8,064 by January 1982. These rates are likely tobe increased before those dates by the annual settlements to he concluded this year and next for the grades.

Bid to prevent cash aid for postal ballots fails

BY ALAN PIKE, LABOUR CORRESPONDENT

A BID to prevent the Amalgamated Unioo of Engineoring Workers applying for Government financial aid to run postal ballots whon the Employment Bill becomes law was dofeated yesterday.

Some union loaders have argued that tho trade union movement should not tako advantage of tho opportunity which tho new law will give to obtain funds fo rballots, seeing it as a dilution of the TUC's total opposition to the Bill.

Bot by 27 votes to 24 yesterday, tho AUEW national committee in Blackpool rejected a resolution which attempted to instruct the executive "not to becomo ongaged in any agreement with the Governmoot for state assistence in the conduct of all or any trade unioo ballots."

The AUEW, which exposes all its 200 full-time officials to periodic re-eloction for most of their careers, spent nearly £293,000 oo postal ballots last year. Yesterday's docision does not mean that tho union will automatically apply for Government assistance, but will do so if it decides that tho money is being offered on terms which do not compromise any principles.

Left-wing delegates argued that tho union was opening tho door tn Government interference in its internal affairs if it accepted financial assistance towards its ballots.

But Sir John Boyd, general secretary, responded thet in comparisoo with other unions tho AUEW "stood out liko a beacon light" in its opposition to Conservative legislation on trade union rights. There was, bowover, no reasoo why it should not accept financial assistance providod it was offered without intorference.

In the period following the Consorvativo's 1971 Industrial Rolations Act the AUEW spearbeaded the trade union movemont's opposition to interforence with traditiooal trade union rights and refused to recognise tho oew law. During this period, Sir John fold delegates, tho union's funds dropped from £8m to a deficit of more than £1m.

Mr. Gavin Laird, another executive member, tnld delegates that bwile the AUEW would not bo lagging behind in its opposition to tho new Bill tho loadership would not bankrupt tho union.

Civil Service union council formed to co-ordinate action

BY OUR LABOUR STAFF

CIVIL SERVICE unions yesterday formally established a new umbrella body which will formulate common policy and givo the largest unions the lead in negotiations with the Government.

The Council of Civil Service Unions, which replaces the staff side of the Civil Service National Whitley Council, was set up followlog deep disagreements last year botween the unions over pay and a growing dissatisfactioo with the 60-year-old Whitley system.

Unlike the Natiooal Staff Side, the council will have an independent existence. It will be certificated as an independoot trade union and will operate as a trade union confederation.

● The Civil Service Union, which represeots about 47,000 lower-grade white-collar civil sorvants, has failed in its legal attempt to force the Defeoce Ministery to disclose informatioo on plans to put work out to contract under the Governmont cutbacks in Civil Service manpower costs.

Tho Central Arbitration Committee rejected a disclosure reference tabled by the union under the provisions of tho Employment Protection Act.

The union yesterday were granted leave in tho High Court to appeal against the CAC decision. A hearing is expected within two weeks. The Ministry did not oppose the application.

New dispute

CAR ASSEMBLY at BL's Cowley plant was brought to a halt yestorday (Thursday) by a new pay dispute. Workers downed tools after learning their bonus payment would be around £70.

Journals suspended in IPC dispute

BY JOHN LLOYD

A NUMBER of well known magazines published by the Ioternational Publishing Corporation (IPC), havo not appoared this weok, following the dismissal of nearly all the 1,500 journalists employed by IPC's magazine and business press divisions, and the suspension of publication of the titles in these divisions.

Journals which will not appear include the New Scientist, New Society, Flight International, Autocar, Electronics Weekly, Horse and Hound, Amateor Gardeoer and Titbits.

Computor Weekly, one of the leading two computer magazines, appeared carrying advertisements only. Some IPC titles, incloding womon's magazines, will appear, since they are prioted some weeks before tho publicatioo date.

An attempt by the National Unioo of Journalists to obtain an ex parte injunction in the High Court to stop tho company issuing tho dismissal notices failed on Tuesday.

The NUJ has instructed its members to work normally, and to attempt to prodoce thoir magazines. Jonrnalists on several publications said yesterday howovor, that they had oot been issued with advertising specifications for the week, and so could not lay oot pages.

Tho union has written to IPC managoment, offering to withdraw all threat of sanctions and to restart negotiations on wages, which broke down a month ago. IPC bad mado no reply by yesterday evening.

Tho dispnte arose wheo IPC refused to increase its wago offer for the coming year beyond 17 per cent, while journalists were claiming 28 per ceot.

Last Monday, the IPC group chapel (office branch) called a one-day striko in support of the claim. Tho management informed the chapel that its members would be dismissed unless sanctions against the company woro withdrawn.

IPC confirmed that its dismissal notices remained in forco, but said that it boped to prodnco a number of its titles "despite present printing and publishing constraints"

An attempt to restart negotiations between union and managemont is expected to be made today.

Banks stand firm on 18-21% offer

BY NICK GARNETT, LABOUR STAFF

THE ENGLISH cloaring banks yesterday refused to mako any significant alteration in their 18-21 per cent pay offer to clerical staff. Tho offer has boen rejected by the Banking, Insurance and Finance Union and tho staff associatioos.

The Federation of Bank Employers offered minor improvemonts in tho maximum salary figures for grades two and three, and a slight alteration in tho minimum amounts somo staff would receive from the nffor's hackdating eloment.

The offer for salary levels below the maximums in grades two and three remained unaltered.

Mr. Eddie Gale, general secretary of tho Barclays staff association, said tho offer was unacceptablo. Altough the Federation has agreed to further talks next week, officials of some of tho staff associations, which are claiming rises of 20 to 30 per cent, believe that a pay agreement might now be unlikely.

There seems litl eprospect of industrial action hy the staff associations, some of whose officials believe the banks might impose a settlement.

The position of BIFU, which would be more prepared than other staff groups to sanction industrial action, was still unclear last night, although it also finds the offer unacceptable. Its claim is for rises of 25 to 32 per cent.

The union was still discussing the new offer with the ederation late last night.

● Staff in Northern Ireland's four major banks have voted to accept a pay package and end three months of sanctions which have disrupted trade with the Irish Repuhlic and other EEC countries.

The Irish Bank Officials Association said a ballot of its 5,000 members in the province bad produced e substantial majority in favour of the offer. It comprises a 20 per cent salary increaso and a lump sum equal to 10 per cent salary to compensate for extra wnrk resulting from the broak in parity between sterling and tho Irish punt when Ireland entored the European Monetary System (EMS).

Backing for Government

DR. A. I. LENTON, prosidont of the British Paper and Board Industry Federatioo and chairman of Bowater UK, told the foderatinn's annual dinner in London last night that ho applanded the Government's attempts to best inflation, bui added: "please do not bankrupt us in the process."

Sir Keith Josepb, Secretary of State for Industry, was tho chiof guost. Ho said it was oasier to be a politician than a businessman. "We have elections, you havo profit and loss accounts."

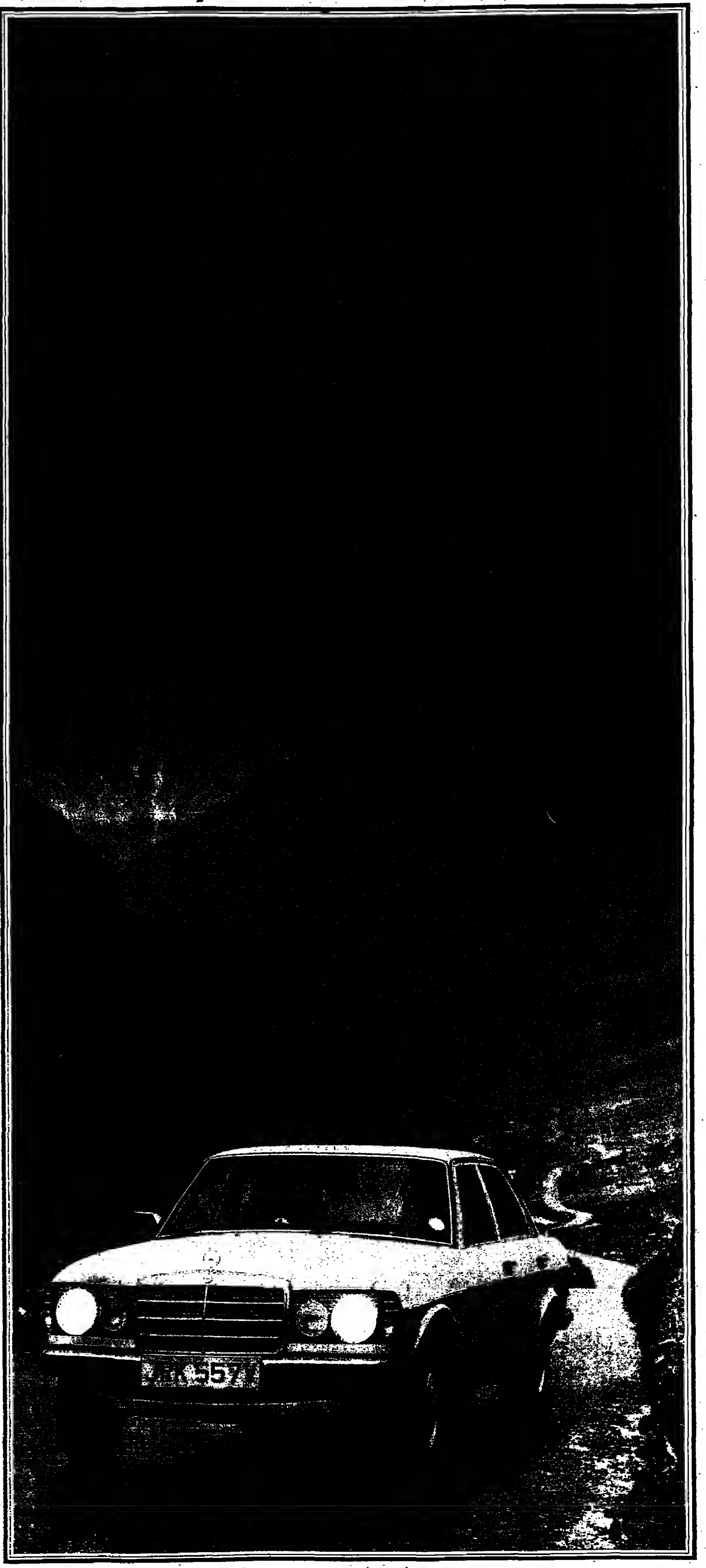
Conference on road safety

DELEGATES from 32 countries are duo to attend the international road safety conference organised by the Royal Society for the Prevention of Accidents at the Strand Theatre, London, on May 20 and 21.

Mr. Kenneth Clarke, Parliamentary Secretary for Transport, will opeo tb econfereoce. The principal speaker on the opening day will be Dr. Claude Romer, of the World Health Orgaoisation, who will review the world traffic accident situation. The delegatos will discuss ways of cutting the world's annual 500,000 death toll from road accidents.

هكذا من الأحيا

ONCE YOU'VE DRIVEN ONE, YOU'RE UNLIKELY TO DRIVE ANOTHER.



Drive any Mercedes-Benz car you like and you'll soon see why you're unlikely to drive anything else.

Unless it's another Mercedes-Benz, of course.

In fact, previous owners buy four out of every five new Mercedes-Benz cars.

For a moment though, imagine you're driving the one in the photograph.

Far from home, along the wet and winding country road with the light just beginning to fade.

And you'll soon see the difference a Mercedes-Benz makes.

Because you're always in complete control, whichever model you choose.

Whether you're driving in fair weather or foul, along country roads, in heavy town traffic or simply covering mile after mile of motorway.

The one illustrated here, for example, comes with a choice of seven different power units.

Ranging from the economical 200D diesel to the powerful 280E petrol engine.

There are three diesel models, the 200D and 240D, which have 4 cylinder engines and the 300D has the 5 cylinder version.

Of the four petrol models in the series two are 4 cylinder, the 200 and 230, the 250 is a 6 cylinder and the 280E is a 6 cylinder with fuel injection.

You only have to ask yourself which power unit will best suit all your particular requirements.

Because overall performance, in every Mercedes-Benz, is the correct balance between manoeuvrability and sheer power so you can cope with any situation.

To prove it, Scotland's long-distance rally specialist, Andrew Cowan, won the London to Sydney Rally in a 280E that was a virtually standard production model.

And last year, Mercedes-Benz came 1st, 2nd, 3rd and 4th in the Bandama Rally across Africa.

By entering such competitions as these, Mercedes-Benz not only prove the high speed capabilities of their cars but they also test basic construction under extremely demanding conditions.

Which is all part of their programme of continually developing the very concept of the car.

Fulfilling the demands made by the Mercedes-Benz scientists, engineers and designers to go far beyond the test tracks and laboratories.

So, at the end of the day, all you have to do is enjoy driving your Mercedes-Benz.

Knowing you're in the car that best suits your particular needs.

Whichever particular Mercedes-Benz you choose.

Mercedes-Benz

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

Adds lustre to the final coat

NEW and brighter stainless steel, nickel and bronze flake pigments are to be marketed throughout Europe by MPD Technology — the company formed by Inco Europe to promote and sell materials, processes and devices resulting from research and development.

Novamet flakes were developed by Inco in the United States, where MPD Technology Corporation's Novamet Division is producing the flake at a plant in New Jersey. They give true metallic brightness, have outstanding corrosion resistance — the nickel and stainless steel pigments passed the ASTM 500-hour salt spray test with flying colours, and are stable in both dry powder and water-based systems. The flakes are available either in paste form or vacuum dried and prices are from £5.50 per kilo.

With a higher specular reflectance than any other stainless steel flake, NOVAMET leafing grades of stainless steel are available as fine (−325 mesh) and standard (−200 mesh). Ideal for decorative coatings and high performance paints, they are already used in the U.S. for lawn mowers, bicycles and office furniture. A new grade of stainless steel flake, developed specifically for water-borne systems, has recently been added. Tbis grade bas the advantage that, unlike aluminium, it does not tarnish but retains its lustre in tbe finished coating; also, it does not react with alkaline solvents and generate hydrogen in the working environment.

Made from bigb-purity nickel powder, Novamet fine nickel flake (-325 mesh) is available in various grades. The high specular reflectance, magnetic and conducive characteristics, combined with nickel's inherent corrosion resistaoce, also make this flake ideal for applications sucb as pigments for powder coatings aod high performance paints as well as fillers for bigb temperature adhesives.

To protect electronic and electrical assemblies from outside electromagnetic interfereoce such as radio waves and static electricity, a special grade of conductive nickel flake, Ni-HCA-1, can be used to coat enclosures fabricated from plastics.

MPD Technology, Wiggin Street, Birmingham B16 0AJ.

Powder coating for wood

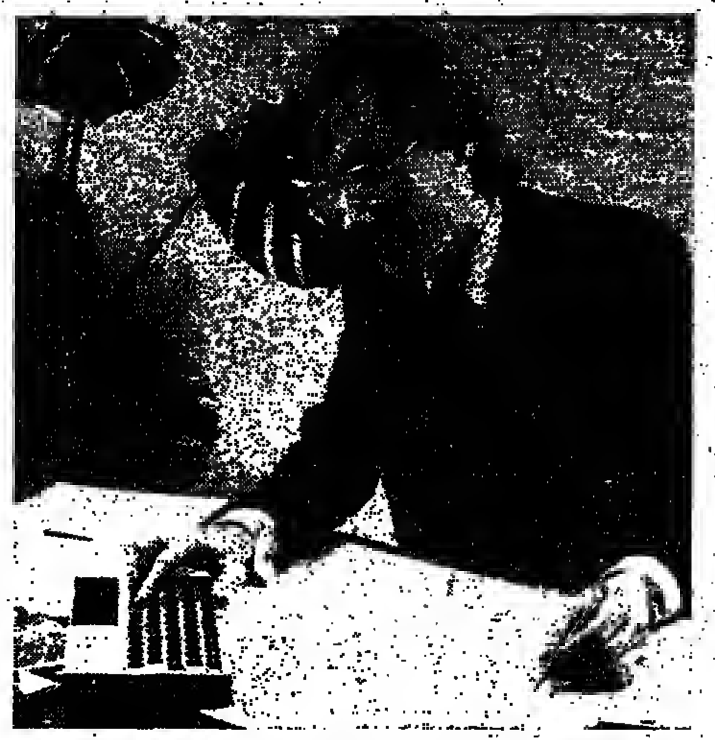
A POWDER coating for wood products has been put on the market by Blundell-Permoglaze of James Road, Tyseley, Birmingham (021 706 2861).

The company claims that the powder gives wood products a hard, flexible and attractive finish that is comparable in cost to a conventiooal liquid finisb. It can be applied by electrostatic spray to a variety of flat board substances.

Curing la by infra-red radiation and curing times are, aay Blundell, as fast as 75 seconds for "wbites" and 40 seconds for "clears."

It is the degree of cure schieved with Permoglaze WF powder tbat, the company claims, makes its oew product unique. Other powders can be applied and stoved under infra-red but the result is a soft finish easily marked, it is added.

● DATA PROCESSING



This small computer can be linked to many services

Hand held computer

NEWBURY Laboratories is launchiog NewBrain, a hand-held microcomputer about the size of one of the latest desk-top calculators. It is priced at £155 for the mains only M model and at £245 for the mains/battery MBS option.

Indefinitely memory expansion has been made possible because of the way in which tba unit hss been designed, the developer says, adding that the full-size typewriter-like keyboard and built-in single line display make the computer extremely easy to use for many people in buainess, Industry and research.

The unit can be connected to monitors, printers, TV for Teletext and other services and to, visnal display units.

Software includes fast complied Basic and the machine will provide high-speed arithmetical computation accurate to 10 significant figures as well as editors for text processing.

The mains/battery version is very easy on the batteries so external data collection and processing, with printout of data or forms oo return to the office is one of its assets.

Model M, the low cost version, does not bave the built-in display and would be used wbere monitors etc., are readily available.

TV ontput would require an appropriate UHF converter while analogue interfaces are available to permit the machine to be used with sensors, instruments, etc.

All models have a dual andio cassette interface for program or data storage and a aerial output for monitor or printer.

There are several other developments in band on what is undoubtedly ooe of the most exciting products so far announced in this area.

Newbury Laboratories, King Street, Odiham, Hampshire RG25 1NN. 025 671 2910.

Desk top machine has colour

FOR AN additional 25 per cent or so on the price, the Hewlett Jackadr 9845 desk top computer can now be supplied with comprehensive colour display facilities which the company believes will make computed engineering, managerial and medical results much more easy to grasp.

The machine uses a Japanese 330 mm diagonal shadowmask tube in raster scan mode producing 560 x 455 pixels (individual picture elements). Together with the software used for manipulation of what is on the screen, this represents one of the clearest most versatile data colour displays yet demonstrated.

Eight basic colours (including black and white) can be used in nearly 5,000 shades, made possible by a 4 x 4 dot technique in which the 16 dots can be varied to giva different area intensities. Drawing speeds of 254 metres/sec are achieved on the screen.

The 9845C is a complete workstation and includes display, light pen, operating system, read/write memory, enhanced Basic language, mass storage (disc or cassette) and a thermal lien printer, all in one housing.

Graphics firmware has been exetnded beyond the existing 35 statements of bte 9845 to include another 35 for colour commands. Graphics computation and interaction become easier and geometric figures such as circles, rectangles and regular polygons are drawn on tha tube face through simpla commands. Alpba-numerics can be shown at bte same time.

The system bas three memory locations (planes when thought of on tha tube face) and assignment of the red, green and blue guns to these planes in any Boolean combination gives tbe advanced programmer increased versatility in the use of the nse of the colours and their shades, and of the graphics tools.

The light pen has a following cross-sight symbol on the screen and provides a convenient way for the user to pick, move and construct objects on bte display. Selection of a single pixel is even possible. A special algorithm located in the firmware moves the cursor in the direction and at the speed of the light pen.

Hewlett Packard expects the colour computer to be popular in engineering design, scientific computation and analysis, data acquisition and control/monitoring, and in management graphics.

More from the company at 308 Kings Road, Reading, Berks (0734-61022).

● COMMUNICATIONS

Radio in the Middle East

ADVANCED RADIO recelving systems are to he supplied by Racal Communications in a re-equipment programme for the Saba news agency in the Yemen Arab Republic.

Involving extensiva aerial, teleprinter, facsimile and recording facilities, the key to the modernisation plan is Racal's recently introduced RA 1792 high frequency receivers. A built-in facility for pre-setting up to 100 frequency and mode channels makes it ideal for monitoring the many broadcast and news services necessary for the running of an efficient agency.

Additional equipment being supplied allow for the demodulstion aod printing out of teleprinter and facsimile signals and a full recording system permits the storage of bulletins for later transcription.

It is the third Middle East contract of this typa to be secured by Racal Communications this year and is worth over £½m; the others are in Qatar and Abn Dhabi.

Another way to send data

DYNAMIC LOGIC of Bracknell points out that until recently it has been possible to usa dedlcate Post Office lines for DC instrumentation lops but that now, due to the increasing use of pulse code modulation techniques, the corporation can no longer guarantee to supply a complete metal path over more than 40 km, and in some cases over 11 km.

As a result Dynamic Logic has developed a device called Teltel Repeater which uses encoded voice frequencies (300 kHz to 3.4 kHz) tosend multiple signals over a pair of Post Office or other pair lines.

Length of the link is not limited by the DC characteristics of the line. Without using signals are concentrated at one end and repeated in similar form at the other. Inputs can be the usual process signals (4 to 20 mA etc.) or contact closures.

The system provides an inexpensive solution to linking, for example, manned and unmanned sites, avoiding radio links and special cables.

More from the company at Doncastle Road, Bracknell, Berks RG12 4PE (0344 51915).

● FARMING

Gets rid of the worms

A CATTLE wormer, claimed to be the most concentrated of its kind on the market, has been introduced by the Veterioary and Agricultural Division of The Wellcome Foundation, Crewe Hall, Crewe, Cheshire (0270 583151).

Developed primariyy for the large berd owner, Systamex 906 is said to have been found to be bigly effective in killing the adult, immature and egg stages of roundworms and is particularly effective in controlling lungworm and Ostertagia Types I and II.

The prodnct is carried in a knapsack pack and is sprayed into the animal's mouth.

● WOODWORKING

A one-man timber mill

A FULLY mechanised timber sawing and planing mill whicb it is claimed can be operated at up to 50 metres of material per minute by one man, has been devised by Wadkin and Torvale Engineering.

Wadkin will handle the sales and marketing side of Torvale will be responsible for installation and service.

It is stated that the equipment can be laid out and adapted to meet particular customer requirements and within the constraints of existing buildings.

Timber can be brougbt into the mill either by fork lift truck or by powered roller conveyors. The timber is then deposited next to tb infeed belt conveyor from where tha operator feeds the timber on to the belt for transmission to a Stenner band re-saw.

The timber is then transferred via a system of belt and cross belt conveyors to a recently designed fast feed table. This bas spiral powered rollers and an infinitely variable feed from 24 to 120 metres per minnte.

Timber leaving the Wadkin planer is transferred by belt conveyor, turning unit and cross transfer belts to a four-ton stacker, specially designed by Torvale engineers for the application.

Full details of the mill can be obtained from Wadkin Torvale at Leicester (0533 760111).

● SAFETY

Sonic spray cuts static

THE PROPER level of humidity for the manufacture of wallpaper at Nairn Coated reducts plant in Lancaster is now maintained by a system put in by Ultrasonics, Otley Road, Shipley, West Yorkshire BD18 2BN (/274 587411).

Nairn bad the problem that warm air introduced for normal beating purposes tended to dry the environment ont, with the consequent danger of a spark and ignition of heavy flammable vapours used in the processes.

Atomising nozzles based on ultrasonics are now being used on the air inlet ducting. As the water leaves each nozzle it is shattered into minute droplets by a standing wave of high frequency sound. Entirely safe and above andible range, the acoustic energy is generated by passing compressed air through the specially sbaped nozzle.

The system is controlled by wall mounted humidstats, but switching operations are performed pneumatically to avoid sparks.

Gives earth protection

INTRODUCED BY Wysepower are three units aimed at providing increased safety to personnel working under bazardous industrial and construction conditions where an electrical earth fault could be dangerous.

Three kinds of protection can be provided. An earth leakage circuit breaker is available with sensitivities ranging from five milliamps to 10 amps within a voltage rang of 24 to 440 volts AC and with a current breaking capacity up to 500 amps.

Also offered is an earth monitoring system which has been designed in line with BS 4444 and functions by monitoring a low voltage curren tcontinuously circulated within the complete system. Interruptioo of this current due to a problem with the earth path results in immediated disconnection of the supply.

Wysepower is at Drove Road, Everton, Sandy, Beds SG19 2HX (0767 50011).

● METALWORKING

Sheet metal punching machine

A CZECHOSLOVAKIAN 25-ton turret punching machine equipped with Anilam Crusader computer numerical control is now available through UK distributor, the Selson Machine Tool Company, of White Waltham, Bers. (062-882 4611).

The machine is suitable for short or long production runs and the company claims it will be of considerable interest to industries involved in sheet metal work where accurate, repetitive punching is a significant element in their manufacturing process.

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Anniversary calm before the storm

BY PHILIP RAWSTORNE

Mrs. Margaret Thatcher, clutching a sheaf of Government achievements, arrived at the Commons yesterday to celebrate her first anniversary as Prime Minister.

It was just as well she brought her own congratulatory notes.

For Sir Keith Joseph's "Gilbert and Sullivan arrangement" for British Steel turned the festivity into farce.

Diverted, astounded and finally angered by the Industry Secretary's display of political ineptitude, Tory MPs quite forgot the occasion.

Mrs. Thatcher sat bleakly at Sir Keith's side while his performance review committee made a laughing stock of the Government and gave fresh heart to its critics.

The Prime Minister's day had begun so promisingly too.

She entered to e loyal address, loudly trumpeted by Mr. Nicholas Winterton, Tory MP for Macclesfield.

He praised her for her "positive and dramatic leadership of the free Western world" and exhorted her to draw sustenance from Disraeli for the "wonderful work" she was doing.

Fellow Tories cheered faithfully—but Labour responded more sceptically.

Mr. James Callaghan was absent, counting his conference votes at the Engineers Union, but Mr. Michael Foot was at band with a bouquet of thorns.

Was the Prime Minister proud of the cuts in real benefits she hed made? Proud of 20 per cent inflation?, 1.5m unemployed?, mortgage rates et 15 per cent?

"I am proud of the Government's record as a whole," Mrs. Thatcher retorted.

She listed one side of it for Mr. Dennis Skinner, the Left-wing Labour MP for Bolsover, who asked her ambiguously," as a wife and mother," whether she was proud of cheating pensioners, pupils, and pneumoconiotic miners.

"Are you really proud that at the general election you led a party that peddled a pack of lies?" Mr. Skinner demanded.

Mrs. Thatcher consulted her notes—and rattled out their record of successes and improvements.

More for the disabled, the pensioner, the single parent, and the needy.

"We have cut the standard rate of income tax," she said.

The standard of living hed gone up by six per cent—"and, I forgot, we settled the Rhodesia problem."

Mr. Foot conceded that the Rhodesia settlement had beeo welcome, doubly welcome. "It represented e real U-turn,"

Labour MPs continued to nag her about her policies towards the family and the unemployed. But Mrs. Thatcher was ready with a little self-congratulation whenever her own backbenchers failed to provide it.

She celebrated climatically in her record on the Common Market. Mr. John Wilkinson pointed out angrily that even the Russian exchequer was now making a profit out of EEC surplus butter.

"I condemn this sale totally," said Mrs. Thatcher—and she pledged that she would continue her efforts to bring some commonsense into the EEC.

She basked briefly in the warmth of the cheers—and then, alas came Sir Keith.

Mrs. Margaret Thatcher

Disbelief and outrage on MacGregor announcement

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE ANNOUNCEMENT of the financial arrangements for Mr. Ian MacGregor to become chairman oft the British Steel Corporation was greeted with disbelief and outrage from all sides of the Commons yesterday.

The decision to pay Mr. MacGregor's present firm, Lazard Freres of New York, up to £1.8m for releasing him to BSC for three years, provoked the biggest row of the resent Parliament.

For half an hour Sir Keith Joseph, the Industry Secretary, was battered by angry protests—many of them from his own backbenches.

Mr. John Silkin, Labour's industry spokesman declared: "This is the most staggering statement that this House has heard in a long, long time."

MPs of all complexions were particularly concerned at the effect which the payment would have in industrial relations in the steel industry, where a bitter strike has just ended and large redundancies are under way.

But Sir Keith with the Prime Minister beside him, stoutly defended the decision to appoint the 67-year-old American business man who made his name as chief executive of AMAX, the metals and natural resources company.

He stressed that the actual salary to be paid to Mr. McGregor as £48,500 a year, the same as the retiring chairman of BSC, Sir Charles Villiers. He also emphasised that the large sums to Lazard Freres would only be paid in full if Mr. McGregor met the performance criteria that would be laid down for his new task at BSC.

JOSEPH: under heavy attack

SILKIN: staggered

Labour MPs denounced the arrangements as "a transfer fee" or, as one of them put it, "a ransom."

"It would be cheaper to have Kevin Keegan," shouted one Labourite.

Sir Keith readily agreed that it could be seen as a transfer fee and that the British taxpayer would have to foot part of the bill.

"The bigger the transfer fee, the better the player," he argued. "Any payment that is made on his account—but not necessarily to him—will be very good value to the country and for all those who work in the steel industry and use its products."

Mr. Michael Foot, who was deputising for Opposition leeder Mr. James Callaghan, demanded a change of Commons business so that the eppointment can be fully debated next week. He saw it as an insult to all those who work in the steel industry.

"This country bas plenty of people who could *have* done *this* job without all this farcial bribery being introduced into it," Mr. Foot said.

MPs were highly suspicious of the criteria for Mr. MacGregor's performance, which are to be agreed between Lazard Freres and the Department of Industry. The level of payments will be assessed by a Review Committee comprising two pople nominated by Sir Keith, two by Lazard Freres and iwth an independent chairman.

There was also concern that Mr. MacGregor would still be a limited partner in Lazard Freres and would thus beoefit indirectly from the profits arising from the money wihch the Government would pay to that firm.

Under the financial arrangements, Lazard Freres will receive £675,000 if Mr. MacGregor completes his three years as BSC chairman. A second payment of up to £1,150,000 will be made to the New York firm depending on his performance as chairman.

Sir Keith's statement was constantly interrupted by jeers and laughter from the Labour benches. Mr. Barry Jones (Lab., Flint East) intervened to inquire whether Sir Keith was really feeling well.

From the Opposition Front Bench, Mr. Silkin pointed out that the "transfer fee" would amount to nearly £2m. Ironically he suggested thet a signiog ceremony should take place at Shotton, Corby or Llanwern, the BSC plants which will be hit by closures and redundancies.

He wanted to know by whose authority the payment wea being made and which Government Department would bear the cost. He also asked whether the decision bad been taken by the whole Cabinet with the personal approval of the Prime Minister.

According to Mr. Silken, Mr. MacGregor had said in the newspaper that he could "take on" Mr. Bill Sirs, the Steel Workers' leader. Mr. Silkin suggested thet this was not the most helpful way of establishing good industrial relations.

Sir Keith told him that details of Cabinet decision, and how they were made, could not be revealed in the House. The bulk of the fee to Lazard Freres would fall on his Department and the Exchequer.

The performance criteria for Mr. MacGregor, which still had to be decided, would include operating performance, productivity, stability of industrial relations and success in the export market.

A Tory backbencher, Mr. Jonathan Aitken (Thanet East) said that however excellent the qualities of Mr. MacGregor, the "Gilbert and Sullivan complexity of the deal with Lazard Freres is open to misunderstanding and ridicule."

He said many Conservative MPs would have the greetest possible difficulty supporting Sir Keith on this matter.

But Sir Anthony Meyer (C., Flint West) said that if Mr. MacGregor could achieve the results which Sir Michael Edwardes bad achieved at British Leyland, then he would be cheap at the price. "Indeed, he would be cheaper at e much larger price."

The former Liberal leader, Mr. Jo Grimond, said that this extraordinary arrangement would have an absolutely devastating effect on what was supposed to be the Government's policy of restraining wage demands.

There were cheers when he added: "It is simply one rule for the rich and one for the poor." He asked amid laughter whether Lazard Freres would be expected to "pay up" if Mr. MacGregor performed badly at British Steel.

Mr. David Steel, the Liberal Leader, said it wes a pity that the case for appointing Mr. MacGregor was clouded over by the "farcical" financial arrangements. He wondered whether the Government bad really thought out the effect this would have on the whole climate of pey negotiations.

THE CONDITIONS of Mr. MacGregor's appointment were detailed by Sir Keith as follows: "These conditions comprise two elements: the first is a payment to Lazard Freres of £675,000 for the three years of the appointment, two thirds of which will be returnable pro rata if be completes less than three years; the second involves payments, again to Lazard Freres, in the range of nil to £1,150,000, linked to the performance of BSC under Mr. MacGregor's chairmanship.

"These performance payments would he made in 1984 and 1985 and would be related to certain performance criteria to be agreed between the Department of Industry and Lazards. The level of the performance payments will be assessed by a performance review committee, comprising two persons nominated by me, two persons by Lazards, with an independent chairman acceptable to both.

"During the period of his appointment, Mr. MacGregor will cease to be an active partner in Lazard Freres but will become a limited partner with a reduced interest in the firm. On taking the post of chairman of BSC be will relinquish most of his current directorships, including that of BL, but I have agreed that he should continue his long standing links with AMAX.

"I should make it clear that the payments to Lazard Freres which I have described are not for payment, in whole or in part, to Mr. MacGregor except insofar as they contribute to Lazard Freres' profits

"Their purpose is to compensate Lazard Freres for losing the business services of Mr. MackGregor. I should also emphasise they are substantially conditional on his serving for the full three years and achieving results."

Cash limits 'should be fixed'

BY IVOR OWEN

MORE EFFECTIVE control over the level of public expenditure devoted to the Civil Service was advocated by Mr. Joel Barnett (Lab., Heywood and Royton), in his first major speech as chairman of the Commons Public Accounts Committee last night.

Opening the debate on the latest series of reports by the committee, he urged that the cash limits for individual Government departments should be fixed in advance of Civil Service pay negotiations and stated in the main estimates.

Mr. Barnett recalled that this procedure was advocated by the former Expenditure Committee and supported in January 1978 by Mr. Nigel Lawson, the financial secretary to the Treasury.

But it had not been followed for the current financial year because the Civil Service department and the Treasury had claimed that it was not possible to anticipate the outcome of the negotiations held in February and March and which determined the salary levels of applicable to non-industrial civil servants from April 1, 1980.

Mr. Barnett stressed that the Public Accounts Committee believed that parlimentary control over expenditure was of overriding importance.

Full provision for Civil Service costs should be shown in each department's main estimate on the basis of a considered judgment of the amount of money available

Mr. Barnett, who was chief secretary to the Treasury in the Labour Government, said he hoped Mr. Lawson still held the view he expressed in 1978 when he pointed out that with the cash limits fixed in advance, the pay negotiations would largely concern the trade off between salary levels and the numbers employed.

Mr. Barnett also called for improved parliamentary procedures to ensure closer control over public expenditure.

Current practice, under which the expenditure of billions of pounds of taxpayers money was often approved "on the nod," was not satisfactory.

Rush Bill on New Towns

By Elinor Goodman, Lobby Staff

THE GOVERNMENT is to start rushing through the legislation necessary to stop the New Towns running out of money next week. It is taking a clause out of the Local Government Bill now going througbo its committee stage, and putting it through the House separately so as to increase the borrowing limit before the Corporations run up against their existing ceiling in mid-September .

The first stage of this process will take place on Thursday when the single clause Bill will get what amounts to a second reading in the Commons.

The rest of the Local Government Bill, including the highly controversial proposals to penalise over-spending authorities, ill not get on the Statute Book until after the summer recess in October.

Tthe Department of Environment has two length Bills going through the House and it was known thta one would not get the Royal Assent until after the summer recess.

Mr. Michael Heseltine, the Environment Secretary has apparently decided that the Housing Bill should have priority over the Local Government legislation.

Meanwhile, in the House yesterdey, the Government's decision to introduce a guillotine on the Socal Security (No. 2) Bill next Monday triggered a storm of protest from the Opposition.

The Bill puts restrictions on the uprating of most Social Security benefit and brings in the "deeming" provisions on strikers' benefit.

THE PROPERTY MARKET BY ANDREW TAYLOR

Surrey Dock development: new shortlist drawn up

THE NAMES of two major British construction companies, Taylor Woodrow and George Wimpey have ben dropped from new short list of schemes to be considered for the redevelopment of the key 120 acre Southwark site in London's Surrey Docks.

The latest short list of recommended schemes, approved this week by senior officials of Southwark Borough Council and Greater London Council—joint owners of the site—is expected to go before a meeting of councillors later this month.

Names on the recommended list, which iocludes two major Dutch developers and one French developer, are broadly similar to those which appeared in an earlier short list of five schemes approved by council officials in February this year.

However, the £400m shopping, office and hotel complex proposed jointly by Taylor Woodrow and George Wimpey which appeared on the original list haa been omitted.

The working party established by the two local authorities to consider the 15 achemes submitted for the Southwark site was apparently concerned about the high shopping content in the Taylor Woodrow-George Wimpey proposal.

Names on the revised list now include:

- Lysander Estates: a consortium representing Phoenix Assurance, Lazards Property Unit Trust, Richard Costain and French developers Sefri Construction International. They plan a £160m development.
- Bredero the Dutch developer which plans a £150m development in consortium with Wates construction group and leading British retailers British Home Stores and J. Sainsbury.
- MAB Holdings, another Dutch group, backed by three Dutch banks, a Dutch insurance group and a French bank, plans a £175m office, industrial, shopping and hotel complex.
- Associated Dairies Group (Asda), the British auperstores concern is also included on the short-list but with a recommendation that its proposals are incorporated with parts of another scheme.

The original short list which included the Taylor Woodrow development—which unlike the other recommended schemes was not costed at current prices but included provision for inflation—waa scrapped when the GLC and Southwark, at the last minute, decided to put all 15 proposals on public exhibition.

The local authorities are not bound to accept the working party's latest recommendations but one strongly fancied choice is thought to be a mixed development involving part of the Asda scheme plus a fairly aignificant element of one of the other proposed schemes

The high technology science industrial park which forma part of the "Southwark Quays" proposal is one likely candidate for this type of development.

The "Southwark Quays" consortium was thought to be out of the race when its developers, St. Mary at Hill Properties—jointly owned by Sir Robert McAlpine construction group and Guiness Peat merchant bankers — pulled out of the group at the end of March.

However it is understood that other members of the consortium which includes agents Knight Frank and Rutley, Westminster Architects, Peat Marwick Mitchell, management consultants and Andrews Kent and Stooe consulting engineers have now found alternative developers

The decision to exclude the Taylor Woodrow-George Wimpey scheme from the short list follows a study carried out for the local authorities by chartered surveyors Donaldson and Sons which concludes that none of the proposals should include more than 500,000 square feet of ahopping space.

First U.S. deal for Brixton Estates

BRIXTON ESTATES this week completed its first ever property transaction in the U.S.—a market which over the past 18 months haa attracted increasing interest from British property companies and investmeot institutions.

Brixton bas acquired a 140 acres of land, 15 miles from Houston's city centre in Texas where it intends to redevelop jointly—with local developers James H. Glanville—as commercial and indnstrial site.

The British group has declined to reveal the land cost but judging by recent deals in and around Houston the price paid is likely to eb in the region of US$5m to US$6m (£2.2m-£2.6m).

The final cost to Brixton will be considerably higher but at this stage the joint developers are planning to provide just roads, a rail spur and other infrastructure services for the site, "with a view of offering serviced plots for sal ein mid-1981."

"In due course consideratinn will be given to development for lettiog and either sale or reteotion as an investment," says the group. The deal, including land purchase, is being almost totally financed through a short-term loan from the First City National Bank of Houston.

City site for Sedgwick

WORK IS expected to start shortly on the second phase of the prestige Wingate development on the City fringes following the £6.6m purchase by the joint developer of the Gardiners Corner site next door to the existing Wingate centre.

Wingate Holdings, the privately owned property company and Sedwick, the international insurance group, have agreed terms to acquire the site from the Greater London Council.

The deal is conditional on Tower Hamlets Borough Council granting detailed planning permission for the erelcinn of a 336,000 sq ft office block. The new offices will be occupied by Sedgwick which has its headquarters in nearby Aldgate.

Sedgwick hopes to start work on the office block—for which outline planning permission bas already been given—within a month and the building is expected to be completed within three to four years. The development for which Lander Burfield is project manager includes provaion for a covered shopping mall plus a leisure centre and multi-storey car park.

European Ferries' Denver partners

EUROPEAN FERRIES ahare price has risen h ymore than a fifth already this week following the disclosure of further financial details surrounding its US$ 250 (£110m) property develnpment scheme in Denver Colorado announced last year.

The boost to the share price has largely been prompted by the news of two deals under which Aetna, a major U.S. Insurance group, and a private property company are each to take a stake in the Denver project raising US$ 20m (£8.8m) for Euro Ferriea in the process.

This will allow the group to discharge loaos from Royal Bank of Canada of around US$ 21m to US$ 22m raised at the time of the purchase of the 300 acre Denver site for US$ 33m last year.

At the same time as announcing details of new partnership agreements Mr. Keith Wickendon Euro Ferries cbairman revealed on Wednesday that profits fro mtbe Denver project, over the next seven to ten years, could easily exceed the present market capitalisation of the group of around £130m.

The project, which will take between five and 10 years to complete, will provide 5m sq ft of offices plus shops and housing.

Strong City office demand to continue

MOST MAJOR companies and financial institutions operating in the City of London expect that demand for new office accommodation in the UK's most prestigious property market will increase over the few years according to a comprehensive study published by agents Jones Lang Wootton this week.

It has become fashionable in some quarters to question the validity behind the present surge in development activity in central London. With critics arguing that, with the advent of the micro chip and other technological advances, the City will require less rather than more space.

But Jones Lang Wootton say that from its studies most major companies anticipate increased demand for office space in the near future.

It says that of the 6m sq ft of gross offie space due to be completed in and around the City by the end of 1983 some 3.75 has already been taken np by owner occupiers or pre-let.

"Even the micro chip is not expected to reduce overall demand for office floorspace in the forseeable fnture," say JLW. "Market research suggests that new technology will be used to increase productivity rather the rednce the numbers employed although the nature of work may change."

As far as the threat of relocation of traditional office users away fromthe City JLW say that many routine jobs have already been moved away and that need for personal contact in the sophisticated financial dealings undertaken in the City will ensure fnture demand for office accommodation near to major markets like the Stock Exchange and Lloyds.

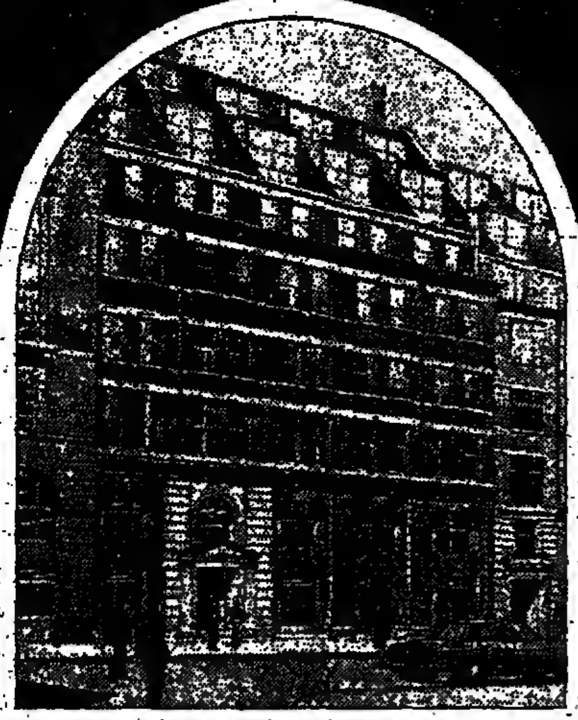
JLW's confidence is based upon more than the traditional estate agents optimism. It has used Industrial Market Research to carry out extensive interviews among representatives of the five major City office sectors.

The general concencua of those interviewed shows a total increase in employment of about 3 per cent overall for the five sectors over the next two years—with a decline in insnrance employment and growth in banking and sectors typically employing professiooal rather than clerical labour.

"It is expected that firms in all professional and commercial sectors will need to increase the range of services offered in order to respond to the requirements of the growing international markets."

JLW say that the curreot development programme ahould produce around 4.5m of net office by the end of 1983 but to create this some 2m sq ft of net office will have been demolished.

هكذا من الأصل



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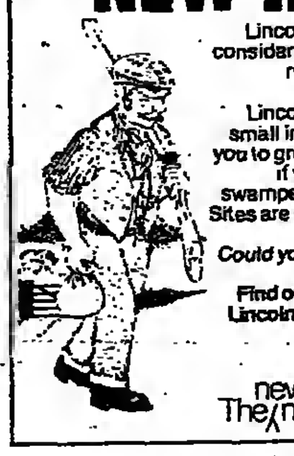

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INTERNATIONAL PROPERTY SURVEY

FRIDAY, 6th JUNE, 1980

The Financial Times is planning to publish a survey on International Property. The main headings of the provisional editorial synopsis are set out below.

INTRODUCTION

Overseas investment opportunities have come in for closer scrutiny during the last twelve months, though heightened interest has not yet been converted into a significant upturn in foreign purchasing or funding activity. The fresh wave of interest in property markets around the world—likely to prove a major talking point at the annual congress of the International Real Etate Federation to be held in Greece in June—has been largely prompted by the growing shortage of prime property investment opportunities in the UK and by the removal of exchange controls.

THE MARKETS

The remainder of the Survey will carry reviews of the property market in the following places:

HOLLAND
WEST GERMANY
FRANCE
SPAIN
BELGIUM
IRELAND
ITALY
THE UNITED STATES
CANADA
THE FAR EAST
AUSTRALIA

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ENGINEERING FACTORY—3,800 sq. ft. Fully equipped for turning, milling, grinding—V.B.M., and drilling. Situated on main Hyde Road, Denton, Manchester. Price including property £60,000. Write Box T.5251, Financial Times, 10, Cannon Street, EC4P 4BY.

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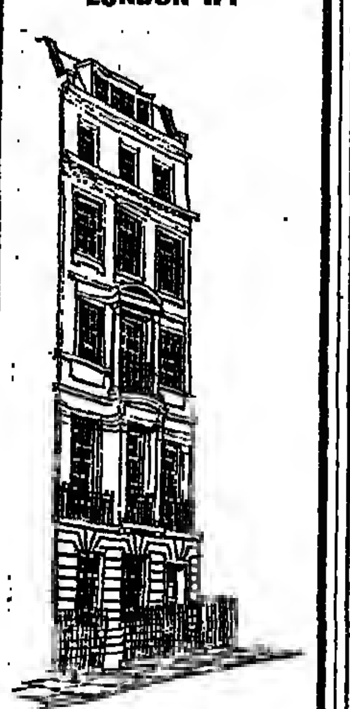

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Please contact Mr. Tom Corcoran, SECURITY REALTY EXCHANGE INC., 113000 N. Central Expressway, Suite 101, Dallas, Texas 75243. (214) 361-8783

BUSINESSES FOR SALE

T.V. RETAIL AND RENTAL COMPANY FOR SALE

Based in North Midlands, with sales from two outlets of £100,000 p.a., rentals £100,000 p.a. on 1,300 agreements, accumulated unrelieved capital allowances on rental sets £10,000.

Price by negotiation but expected to be in the region of £100,000 for goodwill and tax allowances, plus property, fixtures and stock at valuation.

For further details write to Box G.5802, Financial Times 10 Cannon Street, EC4P 4BY

THE TYNE DOCK ENGINEERING COMPANY LIMITED

(In Receivership)

Ship repair yard for sale with two dry docks, buildings and usual plant and equipment. Also stock in trade.

For further details, apply to:

J. Norris
THOMSON McLINTOCK & CO.
7, New Bridge Street, Newcastle on Tyne NE1 8BB

D.I.Y. STORES FOR SALE

Private company has two DIY stores for sale, one located in Bedfordshire in the Luton area, and one in a Birmingham suburb. The Bedfordshire store has a total of 15,000 sq ft with a ground floor area of 7,500 sq ft. Lift to first floor and good loading bay. Net rental is £20,000. The Birmingham store has a ground floor of 5,500 sq ft and is in a prominent precinct position. Rental also £20,000. Both leases are class one use. Total stock at cost approx. £70,000. Fixtures and fittings £30,000. Price of £120,000 required for leases, stock, and fixtures.

Write Box G5795, Financial Times 10 Cannon Street, EC4P 4BY

MOBILE HOME PARK FOR SALE

FULLY DEVELOPED PROPERTY FOR SALE AT £155,000

Within 1 mile of centre of Hertfordshire town. Long leasehold with 64 owner occupied mobile homes and 1 vacant plot for a twin unit. Net after income for 1978/79 £20,043.

Further particulars from:

HUGILL & CO.
38 CHANCERY LANE
LONDON WC2A 1EL

FOR SALE

Long established Construction Company whose owner is about to retire seeks buyer for profitable well managed current work in progress, debtors, creditors and order book. Annual turnover £2½m. Company to be retained by present owner because of other investments he wishes to continue. However, name of company which has good reputation, is available if required. Will Principals only please reply.

Write Box G5817, Financial Times, 10, Cannon Street, EC4P 4BY.

JERSEY

FURRIER/HIGH-CLASS FASHIONWEAR

Jersey Limited Company with benefit of 17 year lease in very good secondary position in St. Helier. Excellent interior decoration. Ground floor—700 sq ft., Window frontage 28 ft., first and second floor 800 sq. ft. each. Rental £8,500 per annum. Turnover November-March £100,000+.

Sale due to Illness

Sale by Share Transfer £85,000 one for lease, fixtures and fittings.

Write Box G.5812, Financial Times, 10, Cannon Street, EC4P 4BY.

CHANNEL ISLANDS

An opportunity exists for the acquisition of a small group of engineering companies operating within the Islands.

The companies are well established in their field of operations and enjoy the benefits of valuable leasehold industrial premises of approx. 5,000 sq. ft. with additional land to expand.

Full details available from the chairman, principals only please contact Box G.5782, Financial Times, 10, Cannon Street, EC4P 4BY.

LEISURE PRODUCT

Small subsidiary company with Water Leisure Product for sale (or other option). Product developed and sales begun, almost all export. Requires organisation with worldwide leisure interests to organise and fund sales and back up. Present time and money not sufficient for expansion. Product has excellent potential. Small, over £250,000 turnover possible, with present production unit which is in existence in freehold premises.

Write Box G5818, Financial Times 10, Cannon Street, EC4P 4BY.

FOR SALE

PRECISION LIGHT PRESSING CO. IN YORKSHIRE

With tooling facilities. Modern plant and factory with substantial land for expansion. Annual t/o (approx. £325,000) and excellent profit record. Sale due to retirement. Long lease or freehold available. *Tel. 01-349 3355 or write Box G5769, Financial Times, 10 Cannon Street, EC4P 4BY.*

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Urgently require sound businesses of all types to meet steady demand

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Comprehensive range. £400,000 turnover. Order book, stock and tooling. Production know-how available. Would suit manufacturer requiring additional product lines or diversification.

Write Box G578, Financial Times 10, Cannon Street, EC4P 4BY.

SMALL LUCRATIVE COMPANY

Engaged in selling new and second-hand Textile Machinery. Fantastic potential for expanding established UK and export sales. Ideal for family, or large company diversification.

Write Box G5805, Financial Times 10, Cannon Street, EC4P 4BY.

TRAVEL AGENCY FOR SALE

IATA, ABTA. Turnover in excess of £1m p.a. Excellent site. Travicom, etc. Good lease. Offers will be considered in excess of £200,000. Principals only need apply.

Write Box G5811, Financial Times 10, Cannon Street, EC4P 4BY.

VIDEO ENTERTAINMENT COMPANY

FOR SALE

WITH £90,000 TAX LOSSES

Write Box G5806, Financial Times 10, Cannon Street, EC4P 4BY.

MODERN METAL FABRICATION FACTORY

21,000 sq. ft.

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Write Box G5748, Financial Times 10, Cannon Street, EC4P 4BY.

SOUTH-EAST ENGLAND CAR DEALERSHIP

The above substantial business is offered for sale or merger. To include excellent sales and service facilities and first-class franchise.

Write Box G5807, Financial Times 10, Cannon Street, EC4P 4BY.

FOR SALE

Company specialising in manufacture and installation of aluminium wood/plastic doors and windows. T/o £300,000 p.a.—pre-tax profits £30,000 p.a.—Tax losses available.

Please write to:
Group Accountant
Box G5813, Financial Times
10, Cannon St., London, EC4P 4BY.

COMPANY FOR SALE

Supplier to Electronic and allied industries specialising in high quality metal work and product finishing operations.

Turnover £500,000

Apply to Messrs.

COZENS-HARDY AND JEWSON
Solicitors, Castle Chambers
Opie Street, Norwich NR1 3DP
For personal attention
Mr. M. T. Martin

MOTEL COMPLEX, DEVON—30 Beds en suite. Renowned conference facilities. D.P.P. for extension. Substantial turnover. For sale as going concern. HELLIKER HOGG & CO. Tel: (0202) 477338.

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OXBRIDGE—Leading Private Preparatory School for sale established over 50 years with 200 pupils. Leasehold. Very easily run with most efficient staff and enjoying high scholastic reputation. Excellent capital return. Write Box G.5781, Financial Times, 10, Cannon Street, EC4P 4BY.

COMPANY FOR SALE

Engineering sub-contractor, located in Birmingham. Good facilities for high-quality general purpose machining and heat treatment. 350 employees. Present annual turnover in excess of £3 million.

Enquiries to: Sir Timothy Harford, Bt.
Singer & Friedlander Limited
123 Hagley Road, Edgbaston, Birmingham B16 8LP

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UP TO £20M AVAILABLE TO PURCHASE LONDON/WEST END HOTEL

BY INTERNATIONAL CLIENTS

Confidentiality assured. Contact: Ref. JRS.

Also Client wishing to purchase several top market hotels with 70-plus bedrooms, between Eastbourne and Torquay. Substantial finances available. Confidentiality assured. Ref. JRS.

PERIOD FARMHOUSE and **INN** with character beamed bar and minstrel gallery. Superb modern cocktail bar and quality restaurant with up to 90 covers. Five double bedrooms (all en suite), games room. Range of buildings including staff/owner's cottage with nine rooms. Additional outbuildings include further staff rooms and office suite. Approx. one acre of ground. Excellent business and turnover. Recommended. Freehold £345,000. Ref: H3297.

SURREY/BERKSHIRE BORDER. SUPERIOR FREEHOLD PERIOD RESTAURANT adjacent magnificent parkland with splendid feature restaurant for 90 plus. Cocktail bar, extensive kitchens. Staff accomm. plus cottage. High turnover business. Ref: H3298. Price: £325,000.

SUPERIOR NURSING HOME/PRIVATE CLINIC. EAST SUSSEX COAST. One of the finest properties of its kind, maintained and presented to exceptionally high standard. Registered for 36 beds. Up-to-date fire precautions completed. Treatment rooms, excellent public rooms, fully fitted kitchen, owner's private accomm. Landscaped grounds of about 1½ acres. Freehold £250,000. Ref: H3284.

Contact: HOTEL DEPARTMENT,

GOADSBY & HARDING
Borough Chambers, Fir Vale Road, Bournemouth.
(0202) 294404

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EST. 1932

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BUSINESSES FOR SALE/WANTED

Appears every Friday

Contact:

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01-248 5284

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presented by

Stanley Clinton Davis LLB MP
(Opposition front bench Spokesman on Trade)

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BUSINESSES WANTED

PRIVATE CONTINENTAL GROUP SEEKS U.K. ACQUISITION WITH AN ANNUAL TURNOVER OF £10 MILLION OR HIGHER

Acquisition should supply equipment to offices, plants, buildings, e.g., security, fire protection, lifts, word processors or other . . . that need after sales maintenance and servicing.

Will consider break-even or unprofitable operations.

Write Box G.5814, Financial Times, 10, Cannon Street, EC4P 4BY

WANTED

FINANCIAL SERVICES COMPANY

Our clients wish to buy a reputable financial services/investment company established prior to 1970. Employees or assets not essential. Will consider an investment related company.

Enquiries to:

BINKLEY FINANCE LTD.,
44 Conduit Street, London W1R 9FB. Tel: 01-437 7131

ELECTRONIC CONTROLS EXPANSION

Expanding company manufacturing Industrial Electronic Controls seeks to acquire or amalgamate with Thyristor Drive manufacturer. Must be able to indicate positive Marketing or Development strengths.

Sales volume or profitability not a restrictive requirement.

Principals only with full particulars in strictest confidence to Box G.5815, Financial Times, 10, Cannon Street, EC4P 4BY.

HANTS/WILTS/BERKS/OXON/GLOS.

£250,000 available

Company required, preferably in retail, service of assembly/light manufacturing industries, but other propositions will be considered.

Either outright purchase or substantial injection of capital and management envisaged.

Reply Box No. G.5819, Financial Times, 10 Cannon Street, London EC4B 4BY.

PAPER AND BOARD MERCHANTS REQUIRED

Our client is an old established company specialising in merchanting Paper and Board to the clothing industry and wishes to purchase another business engaged in a similar activity. Please supply preliminary information in strict confidence to: M. J. Gordon, FCA, 13, Southampton Place, Holborn, WC1. Tel.: 405 8928.

HOLIDAYS AND TRAVEL

Fully licensed and bonded specialist Tour Operator wishes to extend its interests in the holiday and travel field by acquisition. All enquiries will be dealt with in the strictest confidence.

Write Box G5808, Financial Times 10, Cannon St., London, EC4P 4BY.

COMPANY NOTICES

COMPAGNIE FINANCIERE DE PARIS ET DES PAYS-BAS

NOTICE TO SHAREHOLDERS

Shareholders of Compagnie Financiere de Paris et des Pays-Bas are invited to attend an Extraordinary General Meeting on Thursday, 8th May, 1980, at the Head Office of the Company, 5 rue d'Antin, Paris (2 eme) and the Annual General Meeting on Monday, 19th May, 1980, to be held at 3.0 p.m. at the Pavillon Gabriel, 5 avenue Gabriel, 75008 Paris.

Agenda of the Extraordinary General Meeting

1. To approve the offer to the shareholders of PIERREFITTE-AUBY on the following terms: 5 shares of Compagnie Financiere de Paris et des Pays-Bas for every 8 shares of Pierrefitte-Auby held and the increase of capital from FF. 1,456,551,800 to FF. 1,594,806,300 by the issue of 1,382,545 shares of FF. 100 nominal (ranking for dividend from 1st January, 1980) required to carry on this transaction.

2. To approve the offer to the shareholders of SOCIETE NOUVELLE DE PARTICIPATIONS FINANCIERES on the following terms: 9 shares of Compagnie Financiere de Paris et des Pays-Bas for every 8 shares of Societe Nouvelle de Participations Financieres held and the increase of Capital from FF. 1,594,806,300 to FF. 1,617,591,600, by the issue of 227,853 shares of FF. 100 nominal (ranking for dividend from 1st January, 1980) required to carry out this transaction.

3. To change the wording of Article 6 of the Memorandum and Articles of Association of the Company, subject to approval of the two increases of Capital, and with the same proviso, to set aside part of the merger premium.

4. Subject to the merger with Societe Nouvelle de Participations Financieres, to appoint three Directors of that company to the Board of Directors.

5. To change the provisions of Article 17 of the Memorandum and Articles of Association concerning the length of the Directors' term of office.

Should the Extraordinary General Meeting fail to satisfy the Quorum requirement then it will be reconvened to follow immediately after the Annual General Meeting to be held on 19th May, 1980.

Agenda of the Annual General Meeting

1. Report of the Board of Directors, and Report of the Auditors. Approval of the Accounts for the financial year 1979 and agreement of the Dividend.
2. Re-election of Directors.
3. Approval of the sum allocated for directors' fees.
4. Business covered by Article 101 of the Law of 24th July, 1966.

Every shareholder, whatever the number of shares he holds, is entitled to attend these meetings or to appoint another shareholder attending the meetings, or his spouse, as proxy.

Admission to the meetings or representation thereat, will be confined to shareholders who meet the following conditions:—

(a) Holders of registered shares must have their holding noted in the Company's share register two clear days prior to the date of the meetings.

(b) Holders of bearer shares must EITHER deposit their share Certificates two clear days prior to the date of the meetings with Banque de Paris et des Pays-Bas either

at the Head Office, 3 rue d'Antin, Paris (2 eme)
at its branches and offices in France and abroad, or
as its banking subsidiaries abroad,

where proxy forms and admission tickets will be available OR if the shares are already deposited with a bank or stockbroker, by requesting the Depositary to block the said shares and to advise one of the offices listed above accordingly two clear days prior to the date of the meetings.

THE BOARD OF DIRECTORS

Holders of bearer shares in the United Kingdom may also obtain forms of proxy at the offices of S. G. Warburg & Co. Ltd., Coupon Department, St. Albans House, Goldsmith Street, London, EC2P 2DL, on deposit of their bearer shares not later than 2 p.m., 6th May, 1980, or 18th May, 1980, respectively.

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

U.S.$ 25,000,000 Floating Rate Notes due 1983

In accordance with the provisions of the above Notes, the rate of interest for the period April 29th, 1980, to October 29th, 1980, has been fixed at 16$\frac{3}{16}$% per annum.

Interest due on such date will be payable upon surrender of Coupon No. 8.

BANQUE INTERNATIONALE A LUXEMBOURG
SOCIETE ANONYME
Trustee

INTERNATIONAL DEPOSITARY RECEIPTS ISSUED BY MORGAN GUARANTY TRUST CY OF NEW YORK FOR BRASCAN "CLASS C" SHARES

NOTICE IS HEREBY GIVEN that a Special meeting of the holders of the Class C Convertible Ordinary Shares ("Class C shares") as a class will be held in Wellesley Hall (Main Floor), The Sutton Place Hotel, 955 Bay Street, Toronto, Canada on Wednesday, May 21, 1980 at 11.45 a.m. (or so soon thereafter as the Annual and Special General Meeting of the shareholders and the Special Meeting of the holders of Class A shares and Class B shares shall be terminated or adjourned) for the purpose of considering and, if thought fit, passing a special resolution authorising the continuance of the Company under the Canada Business Corporation Act and amending the Company's charter, including the provisions attaching to the Class A, Class B and Class C shares.

Holders of bearer certificates who wish to exercise their voting rights are requested to forward their instructions to the Brussels Branch of Morgan Guaranty Trust Cy of New York, 35, avenue des Arts, 1040 Brussels on or before May 13, 1980.

INTERCOM

SOCIETE INTERCOMMUNALE BELGE DE GAZ ET D'ELECTRICITE
Société anonyme
Place de Trône 1, Brussels, Belgium

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders will be held on Friday, 16th May 1980 at 11 a.m. at the registered office of the Company, Place du Trône 1, Brussels, Belgium.

AGENDA

(1) To receive the reports of the Board of Directors, the "College of Commissaires" and the Company's Auditor.
(2) To approve the balance-sheet, results accounts, and the appropriation of results for the financial year ending on December 31st, 1979.
(3) To grant discharge to the Directors, the "Commissaires" and the Company's Auditor (in accordance with article 79 of the Belgian Companies Act).
(4) To elect Directors and "Commissaires."

Note:

Holders of shares entitled and wishing to attend or be represented at the meeting should, at least six days before the day fixed for the meeting, deposit a certificate of their holding by an authorized depositary at one of the following banks:

—MIDLAND BANK, International Division, P.O. Box 181, 60, Gracechurch Street, London, E.C.3.
—BANQUE BELGE LIMITED, 4, Bishopsgate, London, E.C.2.
—BANQUE DE PARIS ET DES PAYS-BAS, S.A. 33, Throgmorton Street, London, E.C.2.
—BARING BROTHERS AND Co. LTD. 88, Leadenhall Street, London, E.C.3.
—HILL, SAMUEL AND Co. LTD. 100, Wood Street, London, E.C.2.

Thereupon an admission card will be issued to them.

A member of the Company entitled to attend and vote may appoint a proxy or proxies to attend, and on a poll to vote, in his stead. Such proxy must be a member.

Copies of the accounts and the reports in French (and résumés in English) for 1979 may be obtained from the above-mentioned banking establishments.

BANCO DI ROMA INTERNATIONAL S.A.

LOAN OF US$ 50,000,000
1979/1987/1991 Floating Rate Notes

Bondholders of this loan are hereby informed that the rate applicable to the six months interest period ending October 27, 1980 has been fixed at 15$\frac{5}{16}$%.

Coupon No. 3 will be payable as from October 28, 1980 at the price of US$77.84 equivalent to an interest of 15$\frac{5}{16}$% worked out on the basis of 183/360th covering the period from April 28, 1980 to October 27, 1980 inclusive.

The Fiscal Agent
CREDIT LYONNAIS-LUXEMBOURG

NOTICE OF RATE OF INTEREST BANQUE EXTERIEURE D'ALGERIE

U.S.$40,000,000 FLOATING RATE NOTES DUE 1985

In accordance with the provisions of the Agency Agreement between Banque Exterieure d'Algerie, and Citibank, N.A., dated as of 17 October, 1978 notice is hereby given that the Rate of Interest has been fixed at 14$\frac{7}{16}$% and that the Coupon Amount payable on November 3, 1980 against Coupon No. 4 will be U.S.$74.19, and that such amount has been computed on the actual number of days elapsed (185) divided by 360.

By: CITIBANK, N.A., LONDON
Agent Bank.

May 2, 1980.

SAVE & PROSPER (JERSEY) COMMODITY FUND LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting of the Company will be held at Dolphin House, Colomberie, St. Helier, Jersey, Channel Islands, on 12th June 1980 at 12.30 p.m. for the following purposes, namely

1. To receive and consider and if thought fit adopt the reports of the Directors and of the Auditors and the Statements of Account for the year ended 31st January 1980.
2. To re-elect Mr. C. J. Messer, who was appointed a Director on 7th November 1979, as a Director of the Company, in accordance with Article 96.
3. To re-elect Mr. J. D. Campbell as a Director of the Company, in accordance with Article 91.
4. To re-elect Advocate Clyde-Smith as a Director of the Company, in accordance with Article 91.
5. To re-appoint Coopers & Lybrand as Auditors at a fee to be agreed by the Directors.
6. To confirm the payment of Directors' fees of £300 p.a. to each of Messrs. J. D. Campbell, A. Clyde-Smith, O. C. Eloridge and W. N. Romball.

To transact any other business of an Annual General Meeting.

By Order of the Board,
SAVE & PROSPER (JERSEY) LIMITED
Secretaries

28th April 1980.

THE GENERAL ELECTRIC COMPANY LIMITED

4% UNSECURED LOAN STOCK 1975/80

The Register of Stockholders of the above mentioned stock will be closed from the 10th May, 1980 to the 31st May, 1980 both days inclusive for the preparation of interest and capital repayment warrants dated the 31st May, 1980.

By Order of the Board,
J. E. THOMAS,
Secretary.

LEGAL NOTICES

EVANSEEN LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situated at 3/4 Bentinck Street, London W1A 3BA, on Wednesday, the 7th day of May 1980, at 12 o'clock midday, for the purposes provided for in Sections 294 and 295.

Dated this 22nd day of April 1980.
C. ROSENBERG, Director.

DUBA COMPONENTS LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the creditors of the above-named Company will be held at the offices of Leonard Curtis & Co., situated at 3/4 Bentinck Street, London W1A 3BA, on Thursday the 8th day of May 1980 at 12 o'clock midday, for the purposes provided for in Sections 294 and 295.

Dated this 22nd day of April 1980.
P. FRUSH, Director.

CONTRACTS AND TENDERS

ETHIOPIA

INTERNATIONAL TENDER FOR THE PURCHASE OF SUPLEMENTAL TRAINING EQUIPMENT

INVITATION No. T-09/72

The Provisional Military Government of Socialist Ethiopia, Ethiopian Roads Authority, announces the release of an international tender for the purchase of Supplemental Training Equipment.

The purchase of this equipment is financed by the International Development Association and bids are solicited from member countries of the IDA. Interested and qualifying bidders are advised to collect bid documents from our Procurement Office Room No. 106 during working hours upon payment of 10.00 birr per set.

Bids will be opened in public in the Conference Room 4th floor of the Ethiopian Roads Authority headquarters building on June 10 19800 at 10.00 hours Addis Ababa time.

The Authority reserves the right to reject any or all bids that are not in conformity with all conditions and specifications mentioned in the tender.

Ethiopian Roads Authority

هكذا من الأصل

A Gallic tortoise turns into an electronic hare

Terry Dodsworth examines the dramatic diversification drive of St. Gobain, and maps out the route to its new deal with Olivetti

A COMPANY with a 300-year history is a little like one of Charles Darwin's famous Galapagos tortoises: many of its original characteristics have been transformed in the struggle to adapt to its environment.

Saint - Gobain - Pont - a Mousson is 317 years old this year. It sees its recent acquisitions of sizeable chunks of two major European electronics companies, CII Honeywell Bull and Olivetti, as part of just another inevitable mutation. Its view is that the world changes, and companies should adapt with it if they want to stay healthy.

This unperturbed view of what is a highly adventurous diversification policy is founded on one of the most celebrated mergers in post-war French industrial development. The marriage brought together Saint-Gobain, a glass company founded by Colbert, Louis XIV's Economics Minister, with Pont-a-Mousson, a 100-year-old conglomerate with origins in the steel industry.

By the time the two groups came together in 1969 they had both dealt with a wide variety of activities. Saint-Gobain, established to bring Venetian mirror technology to France, had held investments in chemicals and paper, and ended up as the dominant world force in glass manufacturing. Pont-a-Mousson had moved through steelmaking, mining and the public works industry to become the biggest iron pipe manufacturer in the world.

The merger was a marriage of convenience, launched to bring Pont-a-Mousson's extensive cash resources together with the impoverished Saint-Gobain's enormous industrial empire. In some ways, it was the classic example of the French industrial tradition according to which, in the words of a critic, "the answer to any problem is to double it." Saint-Gobain Pont-a-Mousson emerged from the alliance with a reputation about as ponderous as its name, and a series of poor results in the post-1973 oil crisis did nothing to help its image.

But the problems of the last decade have only confirmed the group in its longstanding conviction that diversification works. Saint-Gobain has not been as immobile as it looks. Its two constituent parts have been brought together and separate activities decentralised on the basis of product lines. Some FFr 50bn ($11.6bn) has been poured into modernisation and development.

Productivity has been improved by a labour shake-out in France, and domestic profits appear to be recovering following the removal of price restraints.

It has also divested: last year, for example, it reduced its turnover by 8 per cent with the sale of Davum, a steel stockholding concern which was the last vestige of the old Pont-à-Mousson steelmaking empire.

This reorganisation programme has left Saint-Gobain with a modern production apparatus at home and overseas. For the time being the group reckons that the major investment effort in the traditional areas is over. It claims to have some 17 per cent of the world plate glass market, about the same amount of the international insulation business, and the number one position in pipes. These are, it believes, basically sound, profitable industries to be in. But they are slow growing, and Saint-Gobain has gone about as far as it can with them. Hence the need to diversify yet again.

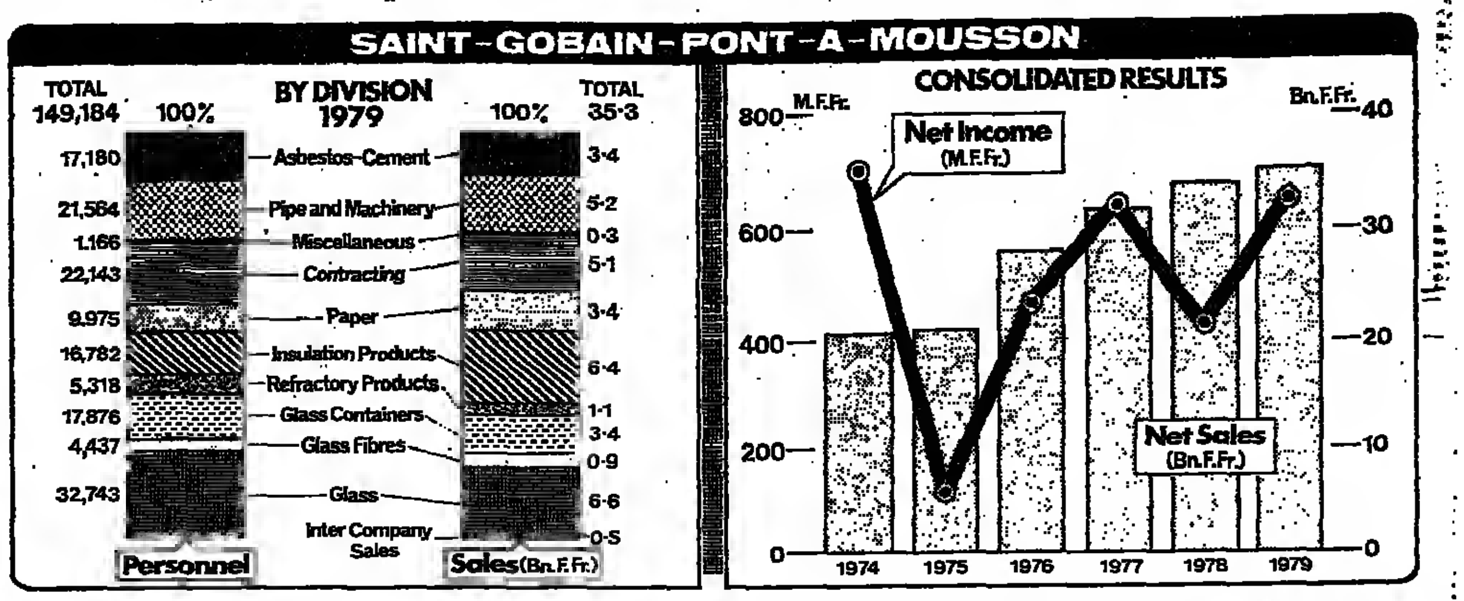
Roger Fauroux: masterminding the current phase of evolution

"It would have been acceptable to continue at a slow rate of growth," says Alain Minc, the director of financial services who came into Saint-Gobain from the French Treasury about a year ago, and is one of the closest aides of the company's chairman, Roger Faroux. "We could have made money that way, but it is much more difficult to run a company without expectations for the future."

It was what Minc called "expectations for the future" that led Saint-Gobain into its conviction that it had to make a radical move into the electronics industry. There are plenty of sceptics around in France to explain that a company as deeply set in traditional sectors as Saint-Gobain will find it hard to swallow the fast-moving concepts of computer-based technology. But Saint-Gobain saw no alternative to the growth conundrum it had set itself.

First, the company argues, to achieve rapid industrial growth today requires either investment in the traditional industries in the underdeveloped world, or investment in some activity based on new technology. Saint-Gobain already has a little over 50 per cent of its business overseas, and thinks this is enough in its established type of manufacturing. Hence its choice of new technology.

Second, the company was looking for an industry with a high growth rate, significant added value (unlike its current businesses, which are heavily dependent on raw material prices), and good employment prospects. The idea was to have a complementary activity to the present business which would allow the possibility of labour transfers. "We need a zone of expansion," says Minc.



Given these criteria, Saint-Gobain saw only two diversification possibilities — the fine chemicals industry and the "telematics" range of activities, extending from micro-chips to telecommunications. Fine chemicals posed a conflict of interest because of the group's stake of about 10 per cent in Rhone-Poulenc, France's biggest chemicals manufacturer. So it fixed its ambitions on the micro-chip and allied areas.

Tha first move in this new strategy, an investment just over a year ago in a French semi-conductor manufacturing plant on a 51/49 basis with National Semiconductors of the U.S., was treated with considerable scepticism by Saint-Gobain's critics. This was a minor affair, capable of producing only FFr 130m of sales in about five years' time, compared with SaintGobain's current FFr 35.3bn. But it soon became apparent that this move gave only a hint of what the group was really up to: it was aiming for links with groups large enough to provide a real balance to its established interests.

Last year, the opportunity to buy its way into CII Honeywell Bull, the largest French computer company, presented itself. CII was at loggerheads with CGE, its major shareholder, and the Government was looking around for a new industrial partner for CII, a company which had been under State patronage since its foundation. Saint-Gobain, in which there is also a substantial Government stake—some 8 per cent is held by the Caisse des Depots, the Government-backed investment institution—was an ideal candidate with the cash resources to ensure CII's development. Last September it took over CGE's 20 per cent stake in the holding company for CII.

The Olivetti opportunity also popped up somewhat fortuitously. The scheme was put to Saint-Gobain in the first place by New York investment banker Yves-Andre Istel, managing director of Lehman Brothers Kuhn Loeb. He knew both companies and their chief executives and thought they could work together. Saint-Gobain thought so too.

With the two acquisitions, Saint-Gobain has crossed its technical Rubicon in the space of 12 months. Its electronics interests are now designed to run from chip manufacturing through computer production to the application of computerised techniques to office information processing — electronic typewriters, data terminals, automatic ordering devices and so on. Given the rate of growth in electronics, the combined CII and Olivetti sales may have doubled from about $4bn to $8bn in five years, while the group's traditional activities may grow from $8bn to $12bn (although it will not be consolidating Olivetti).

The success of all this, of course, depends on Saint-Gobain's ability to run these very different activities in tandem. On this point, the group's strategy is rather like one of those Old Master paintings in which the artist has mapped out the main lines and left the pupils to fill in the details. The canvas is clearly going to take some time to complete, but the main design is this:

In the first place, the policy has been to link up with big companies which are organically similar to Saint-Gobain itself. Minc argues that, contrary to what might be thought, the danger of a failure in diversification declines as the size of acquisition increases. "We are changing sector, but we are moving into a kind of organisation we know." Olivetti, and even the much younger CII, are highly structured companies, with deep roots. Though they are in very different markets, they work like Saint-Gobain, he feels.

Free access

Second, Saint-Gobain will push ahead with its policy of increasing its stake in CII to a controlling level. The aim suggests that it will take on some of the Government stake in the computer group, though what this means for Honeywell Information Systems, the 47 per cent U.S. shareholder, is less clear.

The object, presumably, is to have the final say over CII's development: the Olivetti deal has already shown how Saint-Gobain might modify the computer company's future, since CII was pressing into the office equipment area and would have needed capital to do this. The group monuey in this sector is instead going into Oliveti.

Third, Saint-Gobain insists it has no intention of trying to establish control of Olivetti. What it says it wants from the Italian company are the benefits of its distribution system and its sectoral base—by mutual agreement.

Fourth, the three groups are setting up a tripartite committee to co-ordinate strategy. Each of the partners will be equally represented, though, as Saint - Gobain points out, the balance may be rather asymetric because of its shareholdings in the other two. So it remains to be seen whether CII and Olivetti will be able to co-ordinate product policy without strong control from the St. Gobain side.

Below this level, there appear to be no hard and fast views on how collaboration will develop. There is an agreement in principle that the Saint-Gobain semi - conductor factory should become a significant supplier to the other two companies. There will also be a licensing deal of the type CII has with U.S. Honeywell whereby each company has free access to the other's technology: Honeywell itself has apparently expressed an interest in the new scheme.

But beyond that, Saint-Gobain will be in no rush to impose solutions. "We are not going to go in and plant the Saint-Gobain flag," says Minc. "We need time to let the mixture take."

Big and small get together

THE Industrial Society is aiming to bring together small and big business at a seminar next week with a view to highlighting the opportunities available to the former and the ways in which the latter can gain from supporting their smaller brethren.

The occasion is being supported by David Mitchell, the Minister with special responsibility at the Department of Industry for small business, and he will be addressing the conference.

The overall objective is to provide guidance on how smaller companies can plan for the 1980s. There will in addition be a contribution from some directors of B & Q (Retail), the DIY retail chain, on their experiences as the company grew rapidly within a relatively short time to challenge established leaders in the field. This growth culminated in a flotation of its shares last year.

Mr S. J. Gallacher, director of public affairs for Shell UK, will be among the speakers. As well as helping to mastermind Shell's small business initiative, Mr Gallacher was responsible for Shell's highly-successful "Build Your Own Business" competition last year, held in conjunction with Durham University Business School and Enterprise North, the voluntary business advisory organisation in the North East. The competition led to a number of small companies being established or given a boost in the North East area.

Among points to be discussed will be: how Government and others can help small business in the 1980s; how to cope with legislation, particularly that arising in the UK and EEC, which affects products and personnel: and how to offer career opportunities to compete with larger organisations.

The conference is being held at the Industrial Society, Robert Hyde House, 48 Bryanston Square, London W1. Full details are available from that address.

Nicolas Leslie

LOMBARD

The prize of acceptance

BY RICHARD LAMBERT

AND NOW let us turn to the question of the Accepting Houses Committee. The subject should be tackled with caution, for the target is distant and the penalties of missing it severe. At best, it involves the risk of being tossed alongside that vast and dusty file labelled "Sir Harold Wilson: financial inquiry." At worst, a careless phrase might slam the door on some of London's most desirable lunch rooms.

Booted out

However, there is an issue to be considered, which is this. Antony Gibbs, a small bank, is being acquired by the Hongkong and Shanghai Banking Corporation, which is as near to being a central bank as makes no difference. Gibbs is a member of the Accepting Houses Committee; the Hongkong Bank is not, and cannot be, since only full members of the British Bankers' Association with their head office in the City of London can be admitted. So as a consequence of the acquisition, Gibbs is being booted out.

There are three possible reactions to this move. One is relief, that the delicate fabric of the City—which depends so much on traditional understandings—has been preserved intact. Another is outrage, of the kind expressed when the Committee of Lloyd's slammed the door on outside bids (and on its own fingers in the process).

The third, and perhaps most plausible, reaction is utter indifference.

The choice depends on one's perception of the Committee. It is an unincorporated association with no written constitution, which was founded in 1914 to tackle the problem of the moratorium that had just been declared. Nowadays very little business is open to its members only; their bills are accepted as discountable by the Bank of England at the finest rate, but this is not an exclusive privilege. Asked to explain the continued existence of the Committee to the Wilson Inquiry (Ouch! Here we go) a spokesman described it as a forum "wherein people with relatively like-minded interests can meet to discuss questions of mutual interest and deal with the tremendous amount of paperwork that is now involved."

Yet it is rather more than just a luncheon club. Membership confers an aura of respectability, and the privilege of a special relationship with the Bank of England, which amounts to a seal of approval for each bank's commercial activities. Such status is invaluable in the banking world, and lends a stature to some of the committee's members which is far in excess of what they could aspire to in other circumstances. The committee includes most of the leading merchant banks, which can presumably take care of themselves, but it also has half-a-dozen members who, taken together, do not add up to more than a fleabite in the banking system.

In order for a body to enhance the position of all its members, it is necessary for all the members to enhance the position of the body. This balance has been eroded within the Accepting Houses Committee by the passing of the years in general, and by the rumbling of the secondary banking crisis in particular.

A trading association of this kind had an obvious role ot play in the days when the Bank of England's view of the City was trained largely through the bottom of a glass of port.

Not fussed

But nowadays, things are different. There is a spanking new Banking Act. The Bank of England is taking a much less passive role in the regulation of the City. Above all, the enormous expansion in the number of foreign banks in London—which are excluded from the Committee—has greatly widened the choice available to banking customers.

No one outside the Square Mile is likely to get too fussed about the particular fate of Gibbs. Its status as a bank is not in the real world going to be jeopardised by the fact that it is being absorbed into a vastly more powerful financial enterprise. But a question which may reasonably be asked is whether the continued existence of the Committee in its present form, and of the associated privileges, is in anybody's interest apart from that of its own members. Answers on a postcard please.

Hopes and fears in the heart of England

BY ALAN FORREST

AROUND BRITAIN

M40

ROGER THOMPSON hopes that the proposed M40 motorway extension wil stop the thunder in Stratford-on-Avon. He is talking about the heavy lorries that thunder by the Bard's birth place and upset its character.

Mr. Thompson is managing director of Guide Friday which carries coach passengers around the sacred places and the stately homes of Warwickshire. The proposed road, providing a link between Birmingham and Oxford, will cut through this area of history and mellow fruitfulness but many people in the tourist business see it as a blessing.

The M40 is the road which nearly everybody thought the Government had forgotten. The scheme has ben on the drawing board for years, but it was in abeyance during the years of the Labour Government while Ministers awaited the report of the Leach Committee on Future Roads Needs policy. The anti-road lobby began to believe they had nothing to worry about.

Then on Maundy Thursday, Mr. Norman Fowler, the Transport Minister announced in a statement in the Commons the revival of the M40 plan, saying, "his road will provide a fast and efficient link for the high volume of industrial traffic between the West Midlands and London. It will be an important alternative to the M1 which is now very heavily loaded and requires a programme of major maintenance work over the next few years. I also hope this road will attract traffic away from the route through the Cotswold villages and Warwickshire beauty spots."

Objectors believed that Mr. Fowler pulled a fast one in making the announcement at a time when nobody cared very much about anything but getting away for the Easter weekend. The Department of Trade has denied that there was any such intention, saying Mr. Fowler's statement was entirely due to the tabling of an MPs question. But there will be many a battle before the M40 threads its way through rural Warwickshire.

A lot of rather important people are involved. Mrs. Barbara Maude, wife of the Tory MP Angus Maude, has been one of the leaders of the action group dedicated to keeping the road out of Warwickshire. Ministers Michael Heseltine and Adam Butler have country estates near the proposed line of the new road and it will cut into the constituencies of Mr. Douglas Hurd, Minister of State at the Foreign Office.

There is a great anti-M40 feeling in Warwick, Leamington and Banbury from people who feel that the new road will destroy their character as "historic towns." On the other hand, members of the tourism lobby and many ordinary citizens agree that the road will spend up tourist communications in the area and ask what "historic towns" are for, if not to attract tourists.

Mr. Alan Clarke is one of the leaders of the M40 Support Group. A West Midlands business man who lives in the Warwickshire beauty spot of Henley in Arden, he sees the new road as vital to Britain's economic future. He points out that his group is not a road-builders' lobby but a collection of people who want to see smooth industrial communications.

"It will be a boon for the car industry," he said. "It will connect Longbridge and Cowley with the main car component suppliers. It will complete the connection between the Midlands and Southampton, so important for our export trade, and also create a superb connection with Heathrow."

The advantages to businessmen seem indisputable. The area is badly served withp ublic transport and tourists going to Stratford from London by rail have to change at Reading and Leamington. An alternative route is the train from Euston to Coventry and then a coach from Coventry to Stratford.

Some of the objectors in towns like Warrington, Leamington and Banbury believe that to spend £200m on a motorway when bypasses could be provided at a fraction of bte price is ridiculous. Mr. Clarke says, "The only way their problem could be resolved without a motorway would be to build 15 town bypasses and 34 village bypasses."

Although the new road will affect areas of rich farm land in Warwickshire, it appears that farmers—while intending to are accepting it as inevitable, fight for the best deal possible — Warwickshire's National Farmers' Union President, Elizabeth Crick, has said, "We realise the motorway is necessary, but we deplore the loss of agricultural land."

Around the streets of the affected towns, popular opinion seems to be slightly in favour of the proposed M-way, although men on low earnings or unemployed seem bewildered at the proposed investment at a time of economic uncertainty.

It looks like a long battle. A White Paper is to be published soon to be followed by the usual public inquiries. The more wishful thinking among the objectors still believe that it has already taken so long that it will never happen.

The final comment came from a car worker spending a day in Warwick. "If it's going to help BL," he said "it had better come damn quick."

Cracaral for the Jockey Club

RACING

BY DOMINIC WIGAN

WITH NEPARREE in the field to ensure a good pace from the start, Cracaval appears to have a splendid chance in today's Jockey Club Stakes at Newmarket.

None of the runners making their seasonal debut at the Craven meeting impressed me more than Cracaval.

The Barry Hill-trained Mount Hagen four-year-old belied his odds of 10—1 in the Earl of Sefton Stakes with a particularly game effort: going down by a neck and the same to Ela-Maoa-Mou and Haul Knight.

Cracaval, who looked in danger of being chopped for speed as the winner and second went past him going into the Dip, came back to such effect on the final hill that he would probably have won given another 100 yards. The 11 furlongs of that event was far short of Cracaval's optimum trip, and I expect to see him to far better advantage over one-and-a-half miles.

Cracaval, whose best effort last season came when he just got the better of Ile de Bourbon in a desperate struggle for Kempton's September Stakes, can prove this afternoon that a tilt at such races as the King George VI, the Queen Elizabeth Diamond Stakes and the Arc cannot be ruled out in the summer and autumn.

I doubt whether the Queen has ever had two runners from different stables in a sponsored event before. So Playboy Bookmakers must be particularly pleased to see Dick Hern and William Hastings-Bass saddling fillies carrying the royal colours in the Playboy Pretty Polly Stakes.

Although the Marriott representative, Burghclere, a daughter of the Queen's 1,000 Guineas and French Oaks heroine, Highclere, showed conspicuous promise at Newmarket in the autumn, I can see Restful carrying off today's listed prize for the Queen.

Once considered a 1,000 Guineas prospect, this chestnut daughter of Ribero did not come to hand as quickly as anticipated this spring, and was almost certainly in need of the run when going down to Lorelane in the 23-runner Elvedon Stakes on Craven day.

NEWMARKET
2.00—Pushy
2.30—Sariffe
3.00—Restful**
3.30—Cracaval***
4.05—Carry On Again
4.40—In Rhythm
5.00—Arapahos

CARLISLE
2.15—Double Dutchess
2.45—Taxi Star
3.15—Ponnentes*
4.15—Land and Sea

TV Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.05 For Schools, Colleges. 11.25 You and Me. 11.40 For Schools, Colleges. 12.45 pm Midday News. 1.00 Pebble Mill at One. 1.45 Camberwick Green. 2.02 For Schools, Colleges. 2.30 Show Jumping from Hickstead. 3.53 Regional News for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 The Hills of Heaven by John Farrimond.

5.40 News.
5.55 Nationwide (London and South East only.
6.20 Nationwide.
7.00 The Wonderful World of Disney.
7.50 Citizen Smith.
8.20 The Sun Trap.
8.50 Points of View.
9.00 News.
9.25 Amateur Boxing: The George Wimpey ABA Championship.
10.45 Rosie (London and South East only).
11.15 Regional, National News.
11.20 The Late Film: "Dial M for Murder," starring Ray Milland.

All Regions as BBC-1 except as follows:—

Cymru/Wales — 1.45-2.00 pm Bys a Bawd. 4.20 Wildlife on One. 4.45 Crystal Tipps and Alistair. 4.50 Bobol Bach. 5.10-5.40 God's Wonderful Railway. 5.55-6.20 Wales Today. 7.00 Heddiw. 7.20 Pobol y Cwm. 7.50-8.20 Plant y Paith. 10.45 Music Makers. 11.35 News for Wales. 11.36-12.56 am The Late Film: "Dark Star."

Scotland—12.40-12.45 pm The Scotish News. 5.55-6.20 Reporting Scotland. 10.45 Living Legends (body-snatchers Burke and Hare). 11.15-11.20 Regional News.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.45 Gallery. 11.15-11.20 Regional, National News. 1.10 am News, Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 10.45-11.05 East (Norwich) Weekend; Midlands (Birmingham) The Garden Game; North (Leeds) Let The People Talk; North East (Newcastle) Mike on Friday; North West (Manchester) Voices from the Past?; South (Southampton) Arthur Negus on View; South West (Plymouth) The Moving Line; West (Bristol) Public Life.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
11.25 Snooker: Embassy World Professional Championship.
4.50 pm Open University.
6.55 Snooker.
7.25 Mid-Evening News.
7.35 Gardeners' World.
8.00 Five to One: Sile de Valera, Irish MP, faces questioners.
8.30 Vikings!
9.00 Playhouse.
9.55 Snooker.
10.45 Newsnight.
11.30 Snooker.
†12.00 The Outer Limits.

LONDON

9.30 am Schools Programmes. 11.54 Beany and Cecil cartoon. 12.00 A Handful of Songs. 12.10 pm Once Upon A Time. 12.30 Local Elections 1980. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 For Maddie with Love. 2.00 After Noon Plus. 2.25 Racing from Newmarket. 3.45 Wild, Wild World of Animals. 4.15 The Boy Merlin. 4.45 Magpie. 5.15 Emmerdale Farm.
5.45 News.
6.00 Thames News.
6.30 Thames Sport.
7.00 Play Your Cards Right.
7.30 The Cannon and Ball Show.
8.00 Hawaii Five-O.
9.00 The Gentle Touch.
10.00 News.
10.30 Soap.
11.00 The London Programme.
11.45 Luke's Kingdom.
12.45 am Close: Personal choice with Bernard Hepton.

All IBA Regions as London except at the following times:

ANGLIA

1.25 pm Anglia News. 3.45 The Electric Theatre Show. 5.15 Practice. 6.00 About Anglia. 10.30 Seven Days. 11.00 Friday Late Film: "Ritual of Evil," starring Louis Jourdan. 12.45 am Christians in Action.

ATV

1.20 pm ATV Newsdesk. 3.45 Stars On Ice. 5.15 Happy Days. 6.00 ATV Today. 10.30 ATV Newsdesk. 10.35 The James Stewart Star Movie: "Anatomy of a Murder."

BORDER

1.20 pm Border News. 2.00 Houseparty. 3.45 Survival. 5.15 Fangface. 6.00 Lookaround Friday. 6.30 Your Only Young Twice. 8.00 The Incredible Hulk. 10.30 Your MP. 11.00 Friday Night Movie: "The Creeping Flesh," starring Christopher Lee. 12.35 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News. What's On Where And Weather. 3.45 Action Coastguard. 4.12 Puffin's Birthday Greetings. 6.00 Report At Six. 6.35 Ladies First. 8.00 Vegas. 10.28 Channel Late News. 10.38 One Man's Music. 10.55 TV Movie Premiere: "Fear No Evil." 12.35 am News And Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News. 3.45 Stars On Ice. 6.00 North Tonight And Area Weather Forecast. 6.30 A Sharp Intake Of Breath. 8.00 S.J. And The Bear. 10.30 Points North. 11.30 Reflections. 11.35 Police Woman. 12.30 am North Headlines.

GRANADA

11.50 am The Bubbles. 1.20 pm Granada Reports. 3.45 Survival. 5.15 Granada Reports. 6.00 Granada Reports. 6.30 This Is Your Right. 8.00 Vegas. 10.30 Kick Off. 11.00 Soap. 11.30 House Of Horrors.

HTV

1.20 pm Report West Headlines. 3.45 Stars on Ice. 5.15 A Sharp Intake of Breath. 6.00 Report West. 6.30 Emmerdale Farm. 8.00 A Man Called Sloane. 10.35 Report Extra. 11.05 The Friday Film: "Any Second Now."

HTV Cymru/Wales—As HTV West/HTV General Service except: 10.48-11.08 am Cymru a'r Mor. 11.55-12.01 pm Miatai Ciel. 1.20 Penawdau Newyddion y Dydd. 1.25-1.30 Report Wales Headlines. 4.15-4.45 Antur a Champ. 5.15-5.45 Noah's Castle. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.35 English Garden.

SCOTTISH

12.30 pm World Worth Keeping. 1.20 News and Road and Weather. 3.45 The Electric Theatre Show. 5.15 Mork and Mindy. 6.00 Scotland Today. 6.30 Emmerdale Farm. 9.00 Streets of San Francisco. 10.30 Ways and Means. 11.00 Encore for the Arts. 11.45 Late Call. 11.50 S.W.A.T.

SOUTHERN

1.20 pm Southern News and Weather. 2.00 Houseparty. 3.45 Stars on Ice. 5.15 Happy Days. 6.00 Day by Day. 6.00 Scene South-East (South-East area only). 6.30 Out of Town. 9.00 Streets of San Francisco. 10.30 Southern News Extra. 10.35 Opinions Unlimited. 11.05 Soap. 11.35 The Late, Late Show: "Aguirre, Wrath of God."

TYNE TEES

9.20 am The Good Word, followed by North-East News Headlines. 1.20 pm North-East News and Lookaround. 5.15 Happy Days. 6.00 Sportstime. 6.25 Northern Life. 8.00 The Incredible Hulk. 10.30 North-East News Headlines. 10.32 Friday Live. 12.00 WKRP in Cincinnati. 12.30 am Epilogue.

ULSTER

12.30 pm In Search of. . . . 1.20 Lunchtime. 3.45 Superstar Profile (Clint Eastwood). 4.13 Ulster News Headlines. 5.15 Mork and Mindy. 6.00 Good Evening Ulster. 9.00 Vegas. 10.29 Ulster Weather. 10.30 Sportscast. 11.00 Witness. 11.05 Friday Film: "The Betrayal." 12.25 am Bedtime.

WESTWARD

1.20 pm Westward News Headlines. 3.45 Action Coastguard. 4.12 Gus Honeybun's Birthdays. 6.00 Westward Diary. 10.32 Westward Late News. 10.36 Sportsline. 10.55 TV Movie Premiere: "Fear No Evil" 12.35 am Faith For Life. 12.40 West Country Weath and Shipping Forecast.

YORKSHIRE

11.55 am The Bubbles. 1.20 pm Calendar News. 3.45 Three Little Words. 5.15 Take My Wife. 6.00 Calendar (Emley Moor and Belmont editions). 6.35 Calendar Sport. 9.00 The Incredible Hulk. 11.00 The Friday Night Film: "The House That Dripped Blood" starring Peter Cushing and Christopher Lee.

RADIO 1

(S) Stereophonic broadcast

6.00 am As Radio 2. 7.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Andy Peebles. 4.31 Kid Jensen. 5.30 Newsbeat. 5.45 Roundtable. 7.30 Anne Nightingale. 9.50 Newsbeat. 10.00 The Friday Rock Show (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Ray Moore (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S) including Racing from Newmarket. 4.03 Much More Music (S). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S). 8.03 John Dunn (S). 8.02 Take Your Partners at the Radio 2 Ballroom (S). 8.45 Friday Night is Music Night (S). 9.55 Sports Desk. 10.02 Marks in His Diary. 10.30 The Organist Entertains. 11.02 Peter Clayton with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Mozart (S). 10.00 BBC Northern Ireland Orchestra (S). 10.45 Young Artists Recital (S). 11.40 BBC Northern Symphony Orchestra (S). 1.00 pm News. 1.05 Stuttgart Piano Trio Concert, part 1 (S). 1.50 Interval Reading. 1.55 Concert, part 2 2.30 Bach's Unaccompanied Cello Suites (S). 3.05 Oboe and Piano recital (S). 3.50 A Mozart Miscellany (S). 4.55 News. 5.00 Mainly for Pleasure (S). († and mono only from 6.20). 6.55 Play It Again 7.00 The English Ayre (S). 7.20 Ramzi Yassa piano recital (S). 8.00 Los Angeles Philharmonic Orchestra, part 1: Mahler (S). 8.25 Poetry Now. 8.45 Los Angeles Philharmonic Orchestra, part 2: Beethoven (S). 9.50 American Foreign Policy in an Election Year: Dean Rusk in conversation. 10.45 Music in Our Time (S). 11.40 Buxtehude (S). 11.55-12.00 News.

VHF Only—6.00-7.00 am and 6.20-7.00 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Desert Island Discs. 9.45 Down the Garden Path. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Story Time. 11.00 News. 11.05 The Wallenberg Mystery. 11.50 Bird of the Week. 12.00 News. 12.02 pm You and Yours. 12.27 My Music (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Amy Johnson. 4.10 Mary Renault, writer, in conversation. 4.40 Preview. 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Going Places. 7.00 News. 7.05 The Archers. 7.20 Pick of the Week (S). 8.10 Profile. 8.30 Any Questions? 9.15 Letter from America. 9.30 Kaleidoscope. 9.59 Weather. 10.0 The World Tonight. 10.35 Week Ending (S) 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 11.45 Patrick Moore with the BBC Sound Archives. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 John Toogood's Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00-5.00 am Join Radio 2.

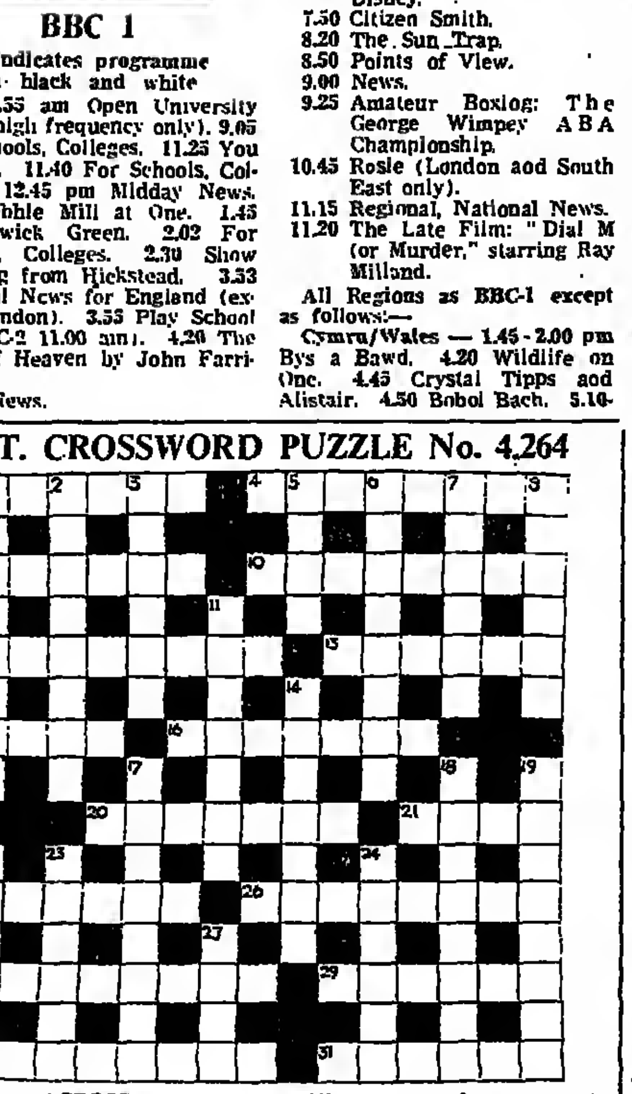
London Broadcasting

5.00 am AM with Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Mike Dickin—Nightline with guest Judy Geeson. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 1.00 pm London Today First Report (S). 1.10 Dave Cash (continued). 3.00 Roger Scott (S). 7.00 London Today (S). 7.30 Party Pieces (S). 7.45 Headline Debate—"Should We Abolish the Car?" 9.00 Nicky Horne's "Mummy's Weekly" (S). 11.00 Mike Allen's Late Show (S). 2.00 am Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,264



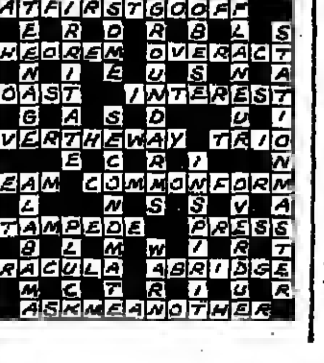
ACROSS

1 Fashion street for the unassuming (6)
4 A main course—what Adam had to do for his mate (5,3)
9 Actually the sapper needs help (6)
10 Those in danger sometimes think theirs has arrived (4,4)
12 A building for people in principle (8)
13 Trip for one in a vessel (6)
15 The responsibility is clearly ours (4)
16 Timely records (7)
20 Show jumper may make it —is this what his neigh means? (7)
21 Two notes combine to give you somewhere to sit (4)
25 To put it in plain language —the fish is in the river (6)
26 Novel title reveals group of three in Palestine village (8)
28 Early set possibly from the orient (8)
29 Glut round motorway—of silk stuff? (6)
30 Costs involving writers in small outlays (8)
31 Detects faculties (6)

DOWN

1 Race from battle (8)
2 Lengthy and might be untoward (5,3)
3 John lost his head over her (6)
5 Transport for the young gunner in the afternoon (4)
6 Elected performance in grass (8)
7 Novice that is after a bird (6)
8 Refrain if you have cargo (6)
11 Ancient typeface? (7)
14 Renounced, divorced, imprisoned (3,4)
17 Departed with broken knee, but most enthusiastic (4,4)
18 He was killed behind Arras (8)
19 Mere bodies the low fellow maintains (8)
22 Stick a notice in this place (6)
23 Experts out of bed get a good hand (4,2)
24 Civilised prohibition in the river (6)
27 Hint that enabled Theseus to get out of the labyrinth (4)

Solution to Puzzle No. 4,263



ENTERTAINMENT GUIDE

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هكذا من الأصل

هكذا من الأصل

THE ARTS

Cinema

A thunderous Tempest

by NIGEL ANDREWS

The Tempest (AA) Screen on the Hill
The Jerk (AA) Plaza
Mission Calactica: The Cylnn Attack (U) ... ...Empire
Army of Lovers ICA

Prospero la a long-haired Renaissance scholar with china-jug Beethoven features. Miranda is a flirty gamine with braided wisps of bair and a Bermondsey accent. Caliban is a bald-headed hulk with a mincingly orotund voice. There is a nude Ferdinand, a jump-suited Ariel, a troop of dancing sailora and, 80-year-old Blues singer Elisabeth Welcb crooning "Stormy Weather."

Yes, it's Shakespeare'a *The Tempest;* and as you never dreamed of seeing it before. Derek Jarman, British director of *Sebastiane* and *Jubilee*, has had his latest bric-à-brac brainstorm in the hitherto hallowed arena of Shakespeare-on-film; and though thera will be much abayIng of heads at Jarman's way with the text he's thrown about two-thirds of it, and had the reat spoken unfussily like everyday speech), I think it's the Bard's rebirth in the cinema.

In recent years, those who protest that Shakespeare on screen is best served "straight"—as recorded theatre or tasteful opening-out—have been defending an ever more beleagured position. Olivier's *Othello* was the last coffin-nail in the notion that theatrical magic can be transformed intact from stage to screen. In that movie a legendary "live" performance lost nearly all its glory when the grand gestures were overwritten on the big screen. The wheela of technlque were aeen whirring behind the eyes, and histrionic meat turned to ham in the curing-cabin of smoky hyperbole.

Jarman bas found the perfect answer. He has conflated grand spectacle and visual eccentricity with a subtla and *sotto voce* delivery of the verse, and instead of hunting up a desert island to do literal justice to Shakespeare's setting he has sited it all in a tumbledown English stately home: (Stoneleigh Abbey). The Bard's *ultima Thule* thua becomes an island of the brain, a mind-vault crammed with all the associative debris of post-Renaissance culture: the globes, the crystal balls, hte *skulls*, the astrological graffiti. Lighting this bohgohlin hall-of-images like a herserk Eisenstein—with long, lean-and-hungry shadows—Jarman gets his actors to deliver their verse like spoken thoughts. The truth glows out, as it sbould in cinema, not from the words themselves hutf rom the thrilling pictures in which they ara born.

Breaking Into this claustrophobic magic are hrief hursts of *al fresco* action—Ferdinand and the Duke's party swept up ontn the beach—and the eruption of deliberate moments nf comic ontrage. The finale will nn doubt catapult anyone already fidgeting querulously in his seat straight to the exit doors. "Oh brave new world, that has such people in it!" asys Miranda as *she* aurveys the imported hevy of sailors doing a sort of Swinging-London hornpipe in the dance-floor. And then Miss Welch comea on, dressed to the nines in shocking yellow, to bring the house down with the closing aong.

Unspeakable? *Iconoclastic?* See it first before yon decide. I think Jarman has given life, love and high?risk brilliance to a corner of movie-making hitherto mired in the formulaic. His actors serve him marvellously, from Toyah Willcox's pert Miranda to Heathcote William's dark, pensive unornamented Prospero, and *poetry* and parable aer spiced—as they surely were in the hurly-burly days of Shakespeare'a *own Globe*—with an irresistible sense of fun, challenge and bravura.

*

It's a hrave new week that also ushers in *The Jerk*. Good *surreal* comedies are not so thick upon the ground that we can ignore juicy windfalls like this, directed by Carl Reiner, of *Where'a Poppa?* and *Oh God!*, and starring and co-written by Steve Martin, of nothln gin particular previously save guest *breeze-ons* in *The Muppet Movie* and *Sergecnt Pepper's Lonely Hearts* Club Band and a longish history of American TV comedy. On this evidence though, he'a a find: a losse-limbed, grey-haired simpleton with permanently shell-shocked eyes, e woozy grin that never quite fits the occasion, and a constant aid of hi-fi, wodnrous innocence.

Martin plays the eponymous "jerk," the fortuitously get-rich-quick scion of a ponr black family in the Deep South. He's white himself, but no one in his youth has been tactless enough to pnint this out until it's time for him to go and seek his fortune and his Mammy and Pappy at last reveal that he was adopted. *Hitch-hiking* to L.A., he becomes a gas-statioo attendant, then a fairground weight-guesser, then an Invetor, then a millionaire, until Fate comes roond full circle and klonks him on the head again, leaving him all-but-penniless on the sidewalk.

This hare-bones morality tale is fleshed out with a pulchritudioous covering of incidental gags: part bapless-Jewish *non sequiturs* and asidea in Carl Reiner's best tradition, part slow-hurn alapstick In Martin's. To see our hero erdeavour to foil a car-load of petty crooks by securing their bumper to the wall of a church (tbe church promptly weighs anchor and follows the departing car down the road), or to hear his would-be-lngratiating social pleasantries when invited into a *nymphomaniac* girl motorcyclist's fairground caravan ("You can learn a lot from the place a person lives in. From this I can see that you're a *really* dirty person") is to witness a comedian with one of the most dapper two-pronged attacks since Woody Allen. Martin fires on hoth visual and verbal cylinders, and if ooe film isn't enougb to convince you, then turn up in time for the accompanying short, *The Absent-Minded Waiter*. This little gem of a shaggy-restaurant sketch won Martin—who stars, wrote and directed—a well-deserved Oscar.

"I'm off to the ultra-sonic *scrub,*" *says the ship's surgeon* as disaster and incomprehensibility spiral in *Mission Golactico: The Ceylon Attock*. Take your space-age dictionary with you to this Sensurround frolic, as the "microns" and "centons" fly thick and fast and your pncket guide to interstellar gobbledygook is a must.

So is patience. Lorne Green, Richard Hatch and Dirk Benedict soldier on again and set their jaws in this sequel to *Bottlesiar Golactica*, s scarcely less paralytic slice of pseudo-astronomical poppycock than its precursor. The same paper-flimsy rockets leap into space, as if *from* the back of a cereal packet, and the same pulpy characters exchange sonoroua dialogue redolent of tha days of Dan Dare and the Mekon.

The plol revolves around maverick Earthman Lloyd Bridges, who is powering his starship Pegasus through space In search of fuel when be humps into the Galactica. Joining forces against tbe common enemy — the petro-powerful Cylons, a aort of OPEC of Outer Space — the two ships mount hattle after hattle to get at the *four-star* petrol. *The film is* fascinating as a demonstration of how real-life paranola can seep *into* escapist fiction — to whit, the present-day Western fuel acare — but less than fascinating as anything else. Future spin-offa need much less careful pontification and much more careless hravado.

*

A last word for *Army of Lorers*, showing at the ICA cinema. Rosa Von Praunheim (Herr) directd tbia scatter-shot feature documentary about Gay Power in tha U.S. and be obviously bad a whale of a time. So, for the most part, does the audience. The director, who also *functions* as on-screen interviewer, embraces everything from Leather Fetishiam to Leshian Rights to other memhers of the cast (in a demonstration homosexual love-hout with a porno-film star, performed for an aghast San rancisco class he waa then teaching). The film's exuberant eccentriclty goes à long way towards uniting the old meaning of the word "gay" wlth the new.

*

Owing to an unfortunate flurry of misprinta, my recent obituary of Sir *Alfred* Hitchcock contained the information that the British director's '60s oeuvre included two films called *Barnie* and *Thorn Curtain*, and that *Topaz* was "a dottily ingenious tribute to the Britain he remembered." The two films were, of course, *Mornie* and *Torn Curtoin*, and the "tribute to Britain" was not *Topaz* but *Frenzy*.

Elisabeth Welch in 'The Tempest'

Queen's

The Dresser by B. A. YOUNG

This is a theatrical play in the best sense of the word. Ronald Harwood is not afraid to draw characters in affectionate caricature, and to give them situations of the kind known to inspire instant laughter, instant tears. By setting his story backstage in a provincial theatre he has added the final ingredient tn ensure him uncritical devotion from gallery to stalls.

He bas provided material for two bravura performances at opposite poles of the same glohe. "Sir" (whose name is never spoken) is a second-rate actor-manager whose company is gamely touring through the air-raids of Januery 1942. Mr. Harwood admits to some inspiration from Donald Wolfit, but disclaims portraiture. In fact, Sir may stand for any old-style actor-manager with a dedicatinn to provide theatre—that is to say, *Shakespeare*—for the people, come what may, and Mr. Harwood's admiration shines clearly behind the mockery with which he showers him. Freddie Jones, as pompous and dramatic when chatting up an ASM as when playing Lear, gives a stupendous performance.

At the opposite pole is a character utterly different and yet stimulated by the same standards — Sir's dresser Nnrman. Here too Mr. Harwood *cloaks affection* in ridicule, and Tome Courtenay does justice to both. Hir Norman hes a touch of efficency: *his hands* flutter about his shoulders like the wings of a butterfly, there is a faintly liquid quality in his aibilants, his netural provincial accent hes ecquired some infectious theatrical vowel sounds. But he is good-hearted and above all efficient: and it is as well that he is so, for at the start of the play Sir has just suffered a nervous breakdown and has been brought in from the street, where he has thrown hit bat and coat into the gutter, first to hospital, then to his dressing-room, where he can do *little* but weep.

Whet the play tells, in a masterly production under Elliott, is how Norman brings him back to himself and enabled him to play his scheduled performance of Lear. In a facsinating backstage set (designed by Laurie Bennett) we see him in his dressing-room, *see him* making up, see him In the wings controlling, he believes, his company, bear him roaring out his lines.

But besides this, the mutual dependence of actor and dresser, the selfishness of the one and the devotion of the other, is beautifully written. Yes, it is all very theatricel, hut these are theatricel people, and if *Norman's conversation*, full of quotations and dependent clauses, is more than natural, it is the right medium for such a character. Moreover Mr. Harwood does not despise sentimentality or melodrama: be gives us a death scene, an air raid and a hackstage storm for *King Lear's* Act 3 that will effectively split the ears of the groundlings.

There are pleasant performances by Jane Wenham as Sir's "common-law wife," always addressed as Your Ladyship: Jacqueline Tong as Irene, stage manager and long-term mistress; and Janet Henfrey, wbo discovers that what she thnught *was an affectionate embrace* was no more than an assessment of her weight as a potential Cordelia.

Wigmore Hall

Yonty Solomon

by DAVID MURRAY

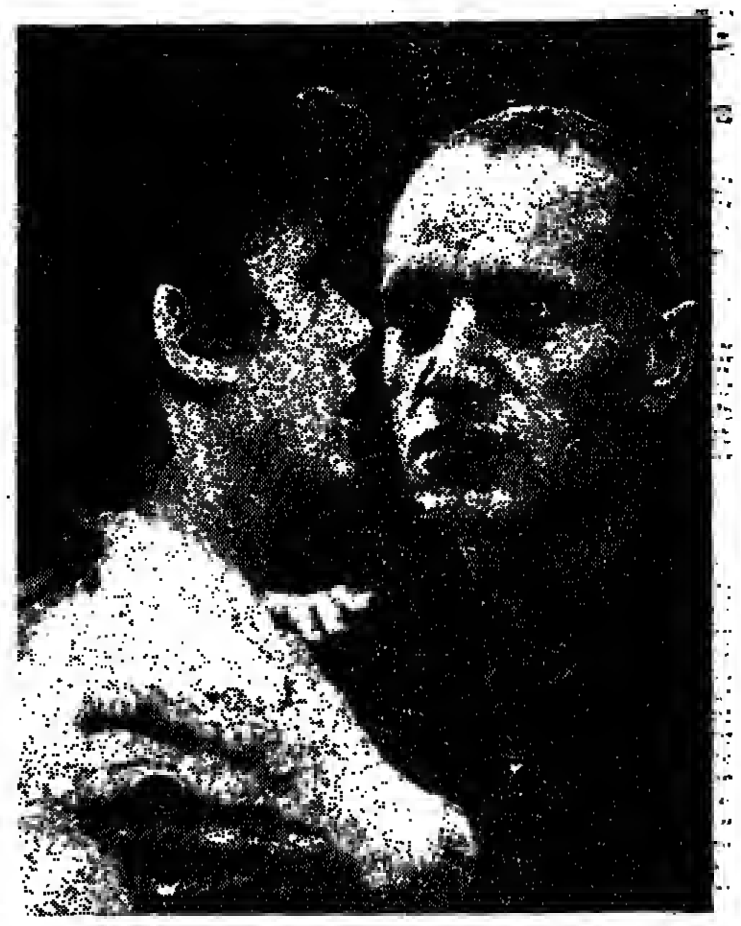
As be always does, Mr. Solomon offered nn Wednesday a piano programme notahle botb for imaginative enterprise and for virtuoso daring. Besides the 6th Partita of Bach and Schumann's F-sharp minor Sonata (which is enjoying a sort of *mini-revival this season*, and very welcome too) he brought out a trio of fentasticated operatic paraphrases, and gave the first performance of three *Etudes Tronscendentales* by the composer-recluse Kaikhosru Sorabji. Thore was compensation, then, for the fact that the recital did not find Solomon in his very best form.

Certainly his account of the Bacb Partita was, in its special vein, polished enough—all fluent pianism, succulent and pretty: the 18th century was kept safely at bay in favour of e more hedonistic sound-world, in which Bach was only uncertainly et *home. The glitter* of the ornaments was engaging. Schumann'a Sonata was rendered in a subtle variety of colours, bnt with a dangerous rbythmic slackness fnr a work which stands in such need of firm direction. Solomon's exacerbatedly expressive rubato left nothing quite straight; even the *maestoso chordal* subject of the *Finale was subjected* to *little* rushes and besitations at *every* appearance. Some charming effecta were achieved, at the cost of letting the Sonata meander unconscionably.

Solomon sbowed brilliant flair in the 16-year-old Balakirev's Glinka fantasy, "Reminiscences of *A Life for the Tsar*": controlled delicacy in the silvery roulades, dancing inner parts, ripe bass sonorities. *Busoni's Carmen Fantasy* (the 6th Sonatina) and Godowsky's comically luscious *Fledermaus* Peraphrase will come off better on another evening; this time muddy left-hand work concealed several of their happiest ideas. (Solomon had asaigned himself *a fearsome* sequence of taxing pieces.) Nor was there as much sense of humour in evidence aa either piece requires: it is wit that guides the twists and juxtapositions of the familiar tunes, not just a bent for making variations. Solomon was soft-edged. *I should* not try to judge the three Sorabji studies, each of which contained staggering numbers of notes within a very hrief space, and astonished without making any other impression. Knowing how much of the Godowsky Paraphrase had passed almost unbeard, one had to allow that some structure within these wild little *fantasies might have been* concealed.

Round House

Hamlet



Steven Berkoff and Choë Salaman

Several years ago we had Ian McKellen, Alec McCowen and Alan Bates all offering their *Hamlets* within a *few* months of each othre. Nineteen eighty is likely to prove aoother year for collectors, as Jonathan Pryce continues to pack them in at thte Royal Court until mid-Juoe, Steven Berkoff leads his London Theatre Group revival at the Round House and Michael Pennington prepares for a summer opening at Stratford-upon-Avon.

Of these younger pretanders, Mr. Pennington is likely to prove tbe most noble, hut Mr. Pryce bas already estahlished himself in my hook aa the most exciting. Prince since David Warner's 1965 RSC interpretation. *There* has never been any douht about Steven Berkoff's ability aa an actor. Over the *years*, though, I have hlown hot and cold about his rigid production style and I fear that, for *Homlet* there is simply not eoough variety in his repertoire of stage tricks to allow for either Hamlet's cbameleon quality or the aheer narrative drive of the story.

As a director, you feel that Mr. Berkoff's band is fully played once the lights go up on a hare stage surrounded by blank-faced actors humming wind effects on the hattlements. All are in hlack, except for Berkoff who aports a striped blue suit with punkish accessories. He has no knighted colour, nor inky cloak, to cast off.

With his close-cropped, ginger-dyed bair, gleaming templea and uncompromlsing blue eyes, Berkoff ia always a magnetic presence. But the humorousness of the Dane is as calculated as the automaton effects of the production style. With Polonius (Bob Hornery) his "madness" ranges from the slouch of a Neanderthal nose-picking loony to the self-conscions mimicry of a cluckin ghen. He lies on top of Gertrude (*Linda* Marlowe) in the closet scene, squeezing rude relevance out of phrases like "hoist with his own petard" and "it shall go bard" before breaking off with a summary "Good night, mother." Wilfulness, in fact, is the predominant tone, and while that approach may yield short term rewards, the overall effect is to roh the play of cumulative drive. The poetry, too, haa alien rhythms forced upon it, with the notable exception of a well-alowly iteratedin a aeries of controlled "To he or not to he," alowly iterated in a series of audience-scanning on-the-apot revolutions.

It is as if Hamlet'a advice to the players of suiting the action to the words has been carried to absnrd illustrative lengths. Thus Polonius's few precepta are sarcastically mimed out by Laertes and Ophelia bafore brother and sister wave farewell to the accompaniment of a dreamy piano solo(J ohn Prior hops with agility between percussion and keyboard all evening, invading the stage after the play scene to whistle down the offensive pipe). And Gertrude's acconnt nf Ophelia's death is delivered to an attentive semi-circle of seated actors wbile Chloe Salaman gives us a mobile verslon of Albert Hughes's Pre-Raphaelite water nymph.

Properties are minimal throughout, even though the absence of rapiers does not detract from the excitement of the duel scene; and the company occasionally surprise with peripheral physical details, such as Claudiua playing along with Ophelia and trotting round the circular area aa her coach and horses. Matthew Scurfield's usurping King, in fact, is the evening's outstanding success, mixing melodramatic overstatement with what Ken Campbell would term a solid display of "*Uncle Fred*" *acting—imagine* Alf Garnett in a skimpy towel locked out of his own hathroom and bellowing to get in. There is ingenuity, too, in the arrival of the Players, cheating at acrobatics and sword-swallowing before one of them lets the side down h ydropping his imaginary juggler's balls all over the stage; and *the gravedigger* opens up with "My Old Man's a Dustman," winning hollow laughter for his terrible jokes from a momentarily animated line of company stiffs.

MICHAEL COVENEY

FINANCIAL TIMES

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Friday May 2 1980

Warning signs in W. Germany

WEST GERMANY'S economic success story has lasted for so long that its enduring prosperity has tended to be taken as a matter of course by its Allies. As a nation assumed to have achieved perpetual balance of payments surplus, the country was taken to have acquired international responsibilities above and beyond those of its weaker European partners. West Germany was to act as one of the "locomotives" that would pull the rest out of the recession of the mid-1970s, its massive reserves would help to lay the basis of a new European monetary order and its wealth would be transferred to the poorer countries of the EEC through enlightened policies agreed in Brussels to further the course of Community integration. It became virtually unthinkable that the country would run into its own economic difficulties.

Paymasters

The impression was underlined by the remarkable resilience with which West Germany surmounted the 1973-74 oil crisis, rapidly increasing its exports to the oil producing countries and fending off imported inflation through the strength of the Deutschemark. Even now, it is perhaps too easily taken for granted that Bonn can afford to reassume its role of chief Community paymaster and, as an optional extra, shore up the Southern flank of NATO by bailing out Turkey. Quite apart from the country's economic strength, there has been an unspoken feeling in some quarters that West Germany has some kind of moral obligation to distribute financial largesse in Europe.

It is now, however, becoming increasingly clear that some of these cosy assumptions need re-examining. West Germany is not on the verge of bankruptcy—far from it. But the country looks as if it is entering a phase that could be very different from what went before. This time round, it is being to be far more difficult for West Germany to ride out the oil price increase through increased exports—demand for Western goods in the oil countries is no longer comparable with the early 1970s and competition has intensified. Under the impact of the latest oil price increase the terms of trade are swinging sharply against West Germany and the country is heading for a current account deficit of perhaps DM 25bn this year (compared with a deficit of under DM 10bn last year and a surplus of DM 17.5bn in 1978).

Of course, with growth still expected to reach 2.5 per cent in 1980, this means that there should be plenty of scope in the West German market for exports from the country's trading partners—West German imports, according to four of the country's five leading economic research institutes in their report this week, are expected to grow in value by 18 per cent this year. But this also reflects the sharply increasing price of imported oil and other raw materials, which is in turn boosting consumer prices to levels that are unacceptable to the Bonn Government and to the Bundesbank in Frankfurt. Both are determined to bring down the inflation rate from the 5.8 per cent it reached in March to the 4.5 per cent target for the year.

This time, the authorities can no longer rely on the strength of the Deutschemark to help to relieve inflationary pressures. In the first months of the year, the currency has hown an uncharacteristic weakness against nearly all other major currencies and particularly the dollar. This week's Bundesbank decision to raise interest rates to their highest levels for ten years accordingly has a double function. The aim is both to bolster the fight against inflation and to replenish funds lost to the U.S. as American interest rates soare. At the same time, the authorities are relying on capital inflows, partly through loans from oil-producers to finance the current account deficit.

Slippery slope

West Germany has not yet begun a precipitate slide down the slippery slope so familiar to other countries—in which a depreciating currency balance of payments deficit, inflation and mounting wage claims all feed on each other. IWth a crucial election this autumn, Chancellor Helmut Schmidt will pull out every stop to ensure that this does dot happen. He simply cannot afford to lose his reputation for sound economic management. But the warning signs are there. The country's partners would be well-advised to bear in mind that political attitudes can be altered by the fear no less than the reality of economic weakness.

Better transport for London

LONDON TRANSPORT—at one time perhaps the finest public transport system in the world—is in a mess. The 1979 report, published yesterday, presents a picture of deteriorating services, rapid fare increases and falling output. The London Transport Executive. has failed to meet either the financial or the operational targets it agreed with the Greater London Council. Passenger miles have plunged to a new low for the decade, but expenditure has risen 8 per cent above budget. Thus the LTE substantially exceeded its permitted deficit.

Unreliable

The LTE is not wholly responsible for all its failures — the Labour Government and the Greater London Council must certainly bear a share of the blame. The LTE's original budget allowed for no more than a 5 per cent pay increase, in line with the Government's policy of economic management by wishful thinking. Increasing traffic congestin has long played havoc with bus timetables, but the effect was exacerbated by the GLC's policy of eliminating bus lanes and relaxing the restraints on private car use in London.

But the root causes of the decline of London Transport are not to be found in the catalogue of excuses contained in the LTE's annual reports. Neither are they addressed by the GLC in its directives to the LTE, which require it to improve and increase services, while reducing its demands for public subsidies. Repeatedly the LTE has failed to meet some or all of its targets and has needed to be bailed out, often amid public recriminations, by the GLC: a procedure which does nothing to increase management discipline, while vitiating attempts to improve morale or engage in sensible long-range planning.

The real problems of London Transport are visible most clearly in the experience of the underground, which is the heart of the transport network and is not subject to many of the adverse influences which have damaged the bus service. What is evoking increasing indignation among Londoners is quite simply the cost of the tube travel. The average tube fare of 7.4 pence per passenger mile was equivalent to £1.48 for 20 miles, making it much cheaper for many car owners to drive without passengers through town, rather than taking public transport.

In view of this price disadvantage the LTE has some justification in regarding the small increase in passenger journeys and the no more than marginal decline in passenger miles relative to 1978 as a major achievement. But over the past five years, the record on utilisation and fares is dismal. Passenger miles on the tube have fallen by 14 per cent, while fares have on average risen 10 per cent per annum faster than retail prices and 9 per cent faster than average earnings. It is the decline in utilisation, on a sytem in which most costs are fixed, which has led to hte very rapid increases in fares relative to earnings. The average number of passengers in each tube car has fallen from 17 in 1974 to 13 in 1979. Average costs per passenger mile have thus risen by 183 per cent, compared with only 129 per cent for the average costs per car mile.

Productivity

There are two ways of trying to unwind this vicious spiral. Neither of them is likely to be sufficient without the other. The first requirement must be productivity improvement. There is considerable scope for manning reductions from the introduction of one-man operation in tubes and buses and of automatic fare collection. Given that London Transport has been suffering from acute labour shortages, it ought to have been possible to progress much further with these rationalisations than the LTE has done. But manning reductions will not, in themselves, be enough to regenerate London Transport.

If London is to have a public transport system comparable in quality and in value for money to that of other great cities, Government will have to pay subsidies comparable to those paid by Governments in other countries. The GLC and the central Government would be right to insist on major productivity improvements before these increased susbidies are contemplated, but there should be an acceptance in principle that public transport requires and deserves public support.

Wall St. keeps its head in a week of crises

BY DAVID LASCELLES IN NEW YORK

THE WEEK in which Alfred Hitchcock died could hardly have produced more drama for Wall Street if the old master filmmaker had been directing things himself.

The summary dismissal of the two top men at First Chicago, the ninth largest bank in the U.S., the dramatic rescue of the second largest bank in Pennsylvania, and the revelation that the Hunts little foray into the silver market lost them not millions but billions—all this took place as talks to save Chrysler from certain death moved towards their grim climax.

But though the suspense once or twice held Wall Street on the edge of its seat, people have generally taken things with remarkable calm. There has been no run on the banks, no slump in the markets (except silver), or even a blip in interest rates. Rather, the opposite. There is, if anything, a huge sense of relief that these problems are all coming out into the open and that something is being done about them.

> In an ironic twist, First Chicago is stumping up money to save First Pennsylvania Bank.

This is particularly true of the Chicago and Pennsylvania banks where long-running crises, which everyone knew about but hesitated to discuss openly, finally stand a chance of being resolved. The Hunt affair is more unsettling because the extent of the mess the family has got itself into is only slowly coming to light, and the full implication of its debts both in America and abroad cannot yet be assessed. But even here, there is an evident eargerness on the part of the country's largest banks to rally round—though not to bail out the Hunts so much as limit the amount of damage they can do to the country's financial institutions.

The Hunt's debts, incidentally, are likely to exceed the $1.5bn assembled to rescue First Pennsylvania.

The two bank crises and the Hunt problem have many things in common. They all result from ill-advised forays into various markets, and all feature larger-than life individuals. They are also, as far as one can tell, isolated cases which are not being taken in Wall Street as ominous signs of things to come as high interest rates and a looming recession take their toll.

Although the dismissal of Mr. Robert Abboud and his right-hand man, Mr. Harvey Kapnick, as chairman and deputy chairman of First Chicago ranked among the most spectacular firings ever seen in U.S. banking history, this was good rather than bad news for the bank.

For though First Chicago has undoubtedly been beset by some severe financial problems, the immediate crisis centred on the feud that erupted between these two strong-willed men over the share-out of power. The fact that they could not agree on their respective responsibilities was sapping the bank's morale and complicating the job of curing its financial ills.

The First Chicago board could have resolved the dispute by simply dismissing Mr. Kapnick (who joined the bank only four months ago after leaving the top job at Chicago's leading accounting firm). But it evidently decided that whatever qualities Mr. Abboud might have as a banker, they were outweighed by the abrasiveness of his personal style, and decided to let him go, too.

The end to the feud should make it easier for the bank to work on its finances, which were severely weakened by some ill-judged moves in the bond markets even ten years ago, and aggravated by the recent surge in interest rates. Last week, Mr. Abboud faced angry shareholders at the annual meeting when he announced the third consecutive quarterly decline in earnings, down from $34m to $19m, blaming most of the drop on this year's collapse of the bond market and record money rates. However, if, as most economists believe, U.S. interest rates have finally turned, much of the pressure on First Chicago's securities portfolio will ease of its own accord.

Thus there is no question of First Chicago being in a deteriorating financial situation unless interest rates turn again. Indeed, in an ironic twist, it happens to be one of the 22 large commercial banks which are stumping up money to save the far worse-stricken First Pennsylvania Bank.

Like that at First Chicago,

MR. ROBERT ABBOUD
An abrasive style

First Pennsylvania's crisis came as no surprise to the banking world, though the size of it obliged the Federal Deposit Insurance Corporation (one of the Government agencies responsible for the security of the banking industry) to mount its largest rescue operation ever.

First Pennsylvania's problems were also part financial, part human. For 10 years, it had been carrying a large number of non-performing loans that were not yielding for various reasons. But it made things worse for itself in the mid-1970s by using short-term money to buy huge amounts of long-term Government securities. As interest rates rose, the cost of this money far exceeded the yield the bank was getting from the securities, pushing it into a severe financial squeeze.

The man largely responsible for the bank's strategy was Mr. John Bunting, its outspoken and forceful chief executive officer, who had made it has goal to transform First Pennsylvania from a cosy Philadelphia institution into a banking operation of international stature. However his ambitions came to a sticky end last summer when the board of idrectors, alarmed by plummeting earnings, eased him upstairs into the chairman's office, and replaced him with Mr. George Butler, a man with 29 solid years at the bank.

But that did nothing to solve First Pennsylvania's now chaotic finances. Depositors started withdrawing their funds as rumours of failure or merger began to circulate. The record interest rates of the past six months compounded the problem and eventually forced the bank to seek help to avert what analysts said would have been certain financial collapse.

The response to First Pennsylvania's appeal for aid was dramatic and swift, mainly because it came while interest rates were still rising and a serious crisis in the banking system loomed as a real possibility.

In a joint effort, the three bank regulating agencies, the FDIC, the comptroller of the currency and the Fed, got together with 22 banks to announce on Monday a financial rescue package worth a minimum of $1.5bn. The FDIC and the banks will lend First Pennsylvania a total $500m (which is $100m more than it asked for), backed up by a $1bn bank credit line and access to an unspecified amount of cheap finance at the Fed.

None of this money will actually solve First Pennsylvania's portfolio problems, but it should give it a breathing space and help it absorb the inevitable losses (probably $75m in the next three months) as it sets about restructuring its securities position.

As with First Chicago, declining rates should also ease the pressure and enable the bank to sell securities into a rising market.

The big losers in all this will, of course, be the shareholders whose interest in the bank could be heavily diluted by the terms of the loan agreement. When they met at a special session in Philadelphia on Monday to hear the bad news their mood was a mixture of sorrow and anger, particularly when they heard that Mr. Bunting's contract entitles him to a fat salary until mid-1985, even though he will play no active part at the bank. Many of the shareholders are elderly local citizens who had invested their savings in what was once a solid local institution.

Amid all the drama of the rescue, the FDIC was careful to stress that First Pennsylvania is an "isolated case." Even so, the whole episode is bound to keep alive the debate about how bank failures should be handled—a debate that might otherwise have subsided, along with interest rates.

During the up-phase in the interest take cycle, particularly in the last 18 months, there was mounting concern about the possibility of bank failures, particularly among the savings and loans banks which have been squeezed between the usury ceilings imposed by many states, and their inability to compete with high-yielding money market instruments in the quest for funds.

Some states, including New York, want to liberalise their banking laws, and there is a Bill in Congress designed to facilitate rescues by easing the ban on bank takeovers across state lines. This legislation would not, however, have helped First Pennsylvania since it bars the takeover of the three largest banks in each state, and First Pennsylvania (despite its name) is No. 2.

> . . . the big losers will be the shareholders. . . Mr. Hunting's contract entitles him to a fat salary until mid-1985.

A lot of legislation, will arrive too late to help the victims of the current cycle. But its sponsors argue that it will at least be in place to meet the next one.

The reassuring point about both the Chicago and Pennsylvania banks is that the crises were identified and contained. The same cannot be said about the Hunt affair, which poses Wall Street with a more nagging problem.

Neither the exact size of the Hunt debt has yet been established (though it grows virtually day by day) nor the identity of all the creditors. The worrying point is that a large part of the debt appears to be owed not to banks which are equipped to cope with it, but to brokerage houses whose capital position could easily be impaired by a crisis.

These concerns serve to explain the haste with which a large number of commercial banks are putting together an extremely complicated financing package which would shift the debt burden from the brokerage houses to the banks themselves. The Fed is also obviously keen for some speedy solution to this crisis, and is privy to the talks.

Few people doubt that the Hunt's finances will eventually be sorted out. But until they are, it is a tale that could still spring some nasty surprises. In fact today's hearings in Congress on the Hunts' silver dealings are being awaited in Wall Street with a mixture of fear and fascination.

The testimony of the Hunts themselves (their first public appearance since the collapse of the silver market at the end of March) and that of Merrill Lynch, the large Wall Street broker which it now transpires was at the centre of the affair, should be particularly revealing.

In the end, the burden of all these crises, including Chrysler, will fall on the banks themselves, not surprisingly given the memories of the Franklin National Bank collapse in 1974 which still haunts the financial community. However, events have also shown that the regulators are keeping an extremely close eye on the developments, something which Wall Street has found deeply reassuring.

The First Pennsylvania rescue, for instance, elicited the following jubilant cry from a seasoned Wall Street bank-watcher: "The Comptroller of the Currency should be crowned."

MEN AND MATTERS

Poehl plays cat and mouse

Increasingly irritated by the antics of West German money marketeers, Bundesbank president Karl Otto Poehl has unveiled a plan which he hopes will prevent the financial community from jumping the gun on the decisions of the bank's council. Such activity, I hear, has quite often set markets off on quite unjustified roller-coaster rides.

Panting with anticipation at the time of the Bundesbank's fortnightly council meetings, dealers have taken to ringing round journalists to see if a Press conference has been called, and jumping to premature conclusions if the summons has gone out.

The theory has been that financial writers are called in only if there is a significant decision to announce. Now Poehl hopes to jam the dealers' communications with a project which does little to endear him to his former colleagues in journalism. In future, he says, bank policy changes will be announced in random fashion. Some will go out through Press releases, some at Press conferences, and sometimes, he warns the hard-pressed hacks, he will call Press conferences when he has absolutely nothing to say.

Fantasia

Memo to Norman St. John Stevas, Minister for the Arts: Frm the team which brought you TV thrills in the long-running series, The Brothers, I have received an outline synopsis hicb has the makings of another blockbuster. I think you should hand it over free to poor old Auntie. The three-volume Department of Trade report on Darjeeling Holdings has all the hallmarks which made the Hilton Roadships report (the model for The Brothers) into such a hit.

Characterisation of the main

"It's always the same when you're in the relegation zone—panic-buying"

roles is perfect. Take, for example, one leading player, described as "a Welsh optimist," whose projects were either "highly successful or absolutely utterly disastrous."

The authors have included some sharp sample dialogue. One man was asked about a boardroom cheque-writing session: "What did you do with them?"

"I think you passed them on to the chap sitting next to you."

"And what did he do?"

"Passed them on to the chap sitting next to him . . . It was like a mery-gog-round . . . I was at a bit of a disadvantage, you see. Everybody else knew what he was doing. I didn't. All I was doing was sitting there writing cheques and getting writer's cramp."

Ther is also a nice fantasy line in a 1974 Darjeeling project to take over Grand Metropolitan. "The project was totally unreal," write the DoT scriptwriters. "It suggests to us that by this time (characters in the drama) were living in a dream world."

In the Darjeeling prospectus much is made of Grand Met's 51 per cent share of a plan for Merrie England, a Midlands funpark. "It is believed that by 1981," said Darjeeling, "Merrie England will produce an income of at least £15m." Between you and me, Norman, Merrie England never got off the ground, but I am sure you agree that an ambtious imaginative story-line is as necessary for success in the world of entertainment as it is in business.

PS: I know you have problems with your budget, but I am sure John Nott will be happy to waive the £21 cost of the report and slip you one on the QT.

Fan tale

It is comforting to know that the world still posseses reserves of technology which can be drawn on as energy prices spiral out of control. A colleague just back from India tells me that Bombay-based Crompton Greaves has been quick to jump into the gap left in the U.S. market by falling sales of power-guzzling air conditioner.

This remnant of the Raj, founded by the Colonel Crompton behind our own Crompton Parkinson, has been bowled over by demand for its ceiling fans (known throughout the subcontinent as "Cromptons"). It is currently selling 50 per cent of its output in the States, and aims for a 12½ per cent share of the market there.

Should the energy situation deteriorate further, I suppose, the Indians could delve further into their industrial past and steal yet another march on traditional industrial countries as suppliers of punkah wallahs to the over-heated.

Purple pros

The England football team is understandably pleased with its new promotion deal with Courage, the brewers, excitedly described as "a first" as the entire England team has been signed to prmote a product.

Far be it from me to pour cold water on such arrangements, but Kevin Keegan et al, out of common prudence if nothing else, should—in between personal appearances at the off-licence—cast a glance into the heartland of Bavaria, where the Augsburg Footbll Club has found reason to regret its collective sponsorship deal.

It is admittedly small beer by comparison. Indeed it is not beer at all—the Augsburg squad enterprisingly signed an agreement with a firm of undertakers called the Pax Funeral Parlour. It was generally agreed that the team's purple shirts emblazoned with the word "Pax" added a certain something to the team's image. This was to reckon without some rival undertakers trading under the name "Frieden" (which also means "peace").

Frieden sued everyone in sight for "insulting public morals" and, after an initial disappointment in the Augsburg court, won the case after appealing in Munich. Tension is mounting about the next court hearing, which should finally decide on the level of insult the average Augsburger would be caused by a reappearance of the purple shirts.

Goal in view

Nice to hear of a young up-and-comer with a positive ambition. Peter Halai, a trainee salesman with Southampton's Property Growth Assurance was feted yesterday by his employers for having sold £1m worth of policies in thre weeks. From his £20,000 commission, he said, he wants to buy a "status" car. For the future his ambition is to be chairman of Portsmouth Football Club.

Radical solution

Sign in a Liverpool factory: "Refuse to be sacked and dumped in the bay."

Observer

THE INQUIRY INTO COAL MINING IN THE VALE OF BELVOIR ENDS TODAY

BY MARTIN DICKSON

When good theatre is not enough

THE GREAT BRITISH PLANNING INQUIRY. ACT 2. SCENE 69.
Location: a drab hall near Grantham
Time: the present
Players: the assembled cast of the Vale of Belvoir inquiry
Subject: the effects of mine shaft blasting on highly strung chickens

Poultry farmer: the underground shockwaves would travel through the floors and cages. Hens are very sensitive to shock waves through their hocks.
Barister: their hocks?
Farmer: Through their hocks. This would create chaos in the cages and result in enormous stress to a highly nervous, high producing layer — which is exactly what a battery hen is.

NO ONE can accuse the Vale of Belvoir inquiry of not dealing in detail with the plethora of objections raised against the National Coal Board's application to mine in this attractive area of north-east Leicestershire.

Shocked chickens' hocks, a question still in dispute, was the subject of the above exchange on Day 69 of the inquiry, and was just one of a host of esoteric topics raised over the past six months. Others include the history of Stilton cheese and tha conditions neded to produce it, the habit of the white-legged damsel fly and the contents of cattle silage.

The list of witnesses who have appeared before Mr. Michael Mann, QC, the inspector heading the planning inquiry, has been equally catholic. It has ranged from the National Coal Board and its principal opponents—Leicester County Council, Melton Borough Council and the coalition of local residents known as The Alliance—to the Cyclists Touring Club, the Buckminster Gliding Club, the Council for the Protection of Rural England and the Leicestershire and Rutland Federation of Women's Institutes.

There has been a strong element of theatre about all this, with the various characters melodramtically declaiming for or against the NCB. And if it has done nothing else, the Belvoir inquiry has probably fulfilled the theatrical function of catharsis, the purging of emotions, by defusing much of the public anger about the Coal Board's plans.

But as the final curtain falls on the inquiry—the final session is today — many critics were asking whether a rambling, catch-all investigation of this kind is really the correct forum in which to thrash out Britain's energy policy.

It is an important question because Belvoir is only the second in a series of major public inquiries en national energy policy (Act 1 being the Windscale inquiry of 1977).

The Belvoir inquiry has fulfilled the theatrical function of catharsis

The next will be into the Central Electricity Generating Board's plans to build Britain's first nuclear power station of pressurised water reactor (PWR) design. This is the kind of reactor involved in the Three Mile Island accident, so its introduction to Britain is likely to arouse strong emotions.

Beyond that, possibly soon after the PWR inquiry, an inquiry is likely to be held into the merits of building the UK's first commercial fast breedar nuclear reactor, which is fuelled with plutonium. Plutonium is also a nuclear explosive, and for this reason a vocal anti-nuclear lobby is opposed to the development of the fast breeder.

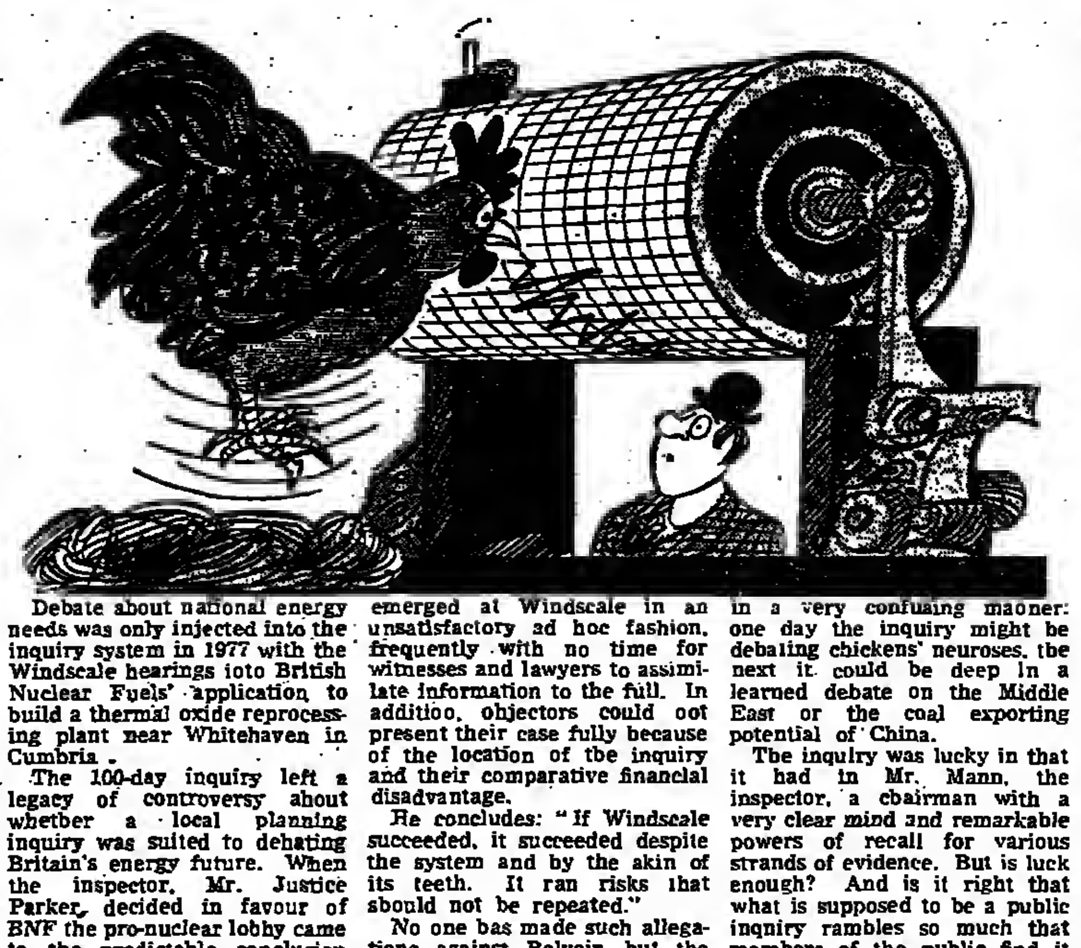
Britain's local planning inquiry system was never designed to cope with major national policy issues of this kind—and never really had to until the advent of a vociferous environmentalist movement in the 1970s.

As its name makes clear, a public local inquiry is meant to be local in character, assessing the impact on the immediate surroudings of a particular development. Most are the responsibility of the Department of the Environment, which has a team of full-time inspectors and holds about 5,000 inquiries a year.

In 80 per cent of casea the Secretary of State for the Environment delegates responsibility for deciding the outcome to the inspetcor concerned. In the remaining 20 per cent, the issues are considered sufficiently weighty for the Minister himself to decide. In these cases the inspector submits a list of recommendations to the Minister. As the jargon has it, he "informs the Minister's mind."

In a small number of cases, such as Windscale or Belvoir, the issues are considered so important that the inquiry is beaded by an eminent outsider rather than a regular inspector.

There is a further complicating factor: not all energy-related inquiries are the responsibility of the Secretary of State for the Environment. Those into open-cast coalmining and the siting of power stations come under the Energy Department, which is placed almost in the position of being both advocate and judge of energy needs.



Debate about national energy needs was only injected into the inquiry system in 1977 with the Windscale hearings ioto British Nuclear Fuels' application to build a thermal oxide reprocessing plant near Whitehaven in Cumbria.

The 100-day inquiry left a legacy of controversy about whether a local planning inquiry was suited to debating Britain's energy future. When the inspector, Mr. Justice Parker, decided in favour of BNF the pro-nuclear lobby came to the predictable conclusion that the planning syate mhad proved itself sufficiently flexible. Equally predictably, opponents of nuclear power cried foul, even though—or perhaps because—Judge Parker had rejected all 17 objections raised by opponents.

In a recently published book on energy and the planning system,* Professor David Pearce of Aberdeen University argues that insufficient pre-inquiry investigations meant that issues emerged at Windscale in an unsatisfactory ad hoc fashion, frequently with no time for witnesses and lawyers to assimilate information to the full. In additioo, objectors could oot present their case fully because of the location of the inquiry and their comparative financial disadvantage.

He concludes: "If Windscale succeeded, it succeeded despite the system and by the akin of its teeth. It ran risks that sbould not be repeated."

No one bas made such allegations against Belvoir, but the inquiry there has pointed up afresb the weaknesses in the planning system. It was clear from the start that Belvoir was two inquiries rolled into one. The first was into national energy needs and coal's role in filling them. The aecond was inlo the local impact of mining and what controls should he placed on this if government gave the NCB the go-ahead.

Unfortunately, these two issues hecame jumhled together in a very confusing manner: one day the inquiry might be debating chickens' neuroses, the next it could be deep in a learned debate on the Middle East or the coal exporting potential of China.

The inquiry was lucky in that it had in Mr. Mann, the inspector, a chairman with a very clear mind and remarkable powers of recall for various strands of evidence. But is luck enough? And is it right that what is supposed to be a public inquiry rambles so much that members of the public find it virtually impossible to keep track of the debate?

Questions such as these, together with the post-mortem that followed Windscale, have led to a rethink in Whitehall on the planning system as applied to energy, with a particular eye on the fast breeder debate to come.

Although discussions are still going on, there seems a consensus that the best system would be one which separated national energy needs from local concerns. It should incorporate a role for Parliament. But it should also be flexible, and should not simply provide a device to delay vital energy decisions.

In fact, a legislative framework already exists for such a two-stage inquiry. The 1971 Planning Act allowed for the establishment of a so-called Planing Inquiry Commission (PIC). The idea was that this would carry out the first stage of an inquiry into major national issues, identifying and investigating relevant subjects. This would then be followed by a local planning inquiry, headed hy a member of the commission.

But the PIC framework has never been tried. Why not? Some people believe that it was tarred with the brush of the Roskill inquiry into London's third airport, set up before the 1971 legislation but cast in a similar mould to the PIC. Roskill's cost-benefit analysis methods proved highly controversial.

But the main reason why the PIC idea has been left to gather dust is doubts about its format within the Department of the Environment. Mr. Peter Shore, the then Environment Secretary, pointed out two years ago that PIC members who had sat in judgment during the first part of inquiries would be expected to come to the local inquiry with an unbiased mind. Members of the public would otherwise feel they were not getting a fair hearing.

Nevertheless, the Department still seems to favour some form of two-stage investigation for major national planning issues, possibly with Parliament taking up a position before the local investigation began.

Professor Pearce goes even further than this. He suggests setting up a standing commission on energy, which would give continuity to national policies. PICs would then investigate the national aspects of single investment decisions and local inquiriea would deal with local issues. There would be at least two links with Parliament.

Although Professor Pearce's ideas are regarded as a useful contribution to the debate, the feeling in Whitehall is that his scheme is probably too complicated and could lead to unacceptably long delays before projects staggered over all the hurdles.

Mr. Shore, when he was Environment Secretary, made clear that he preferred some kind of two-stage inquiry for the fast breeder reactor. The present Government has yet to make its position plain. Mr. David Howell, the Energy Secretary, is also keeping open the type of inquiry to be used for the first PWR station.

There probably is no perfect system. And, in defence of the present local inquiry format, this constitutes a far more detailed investigation than is mounted in many countries, notably France. This is often cited as one reason for the remarkably peaceful history of nuclear protest in Britain, compared to that on the Continent.

But the fast breeder reactor, if not the PWR, raises issues of an altogether greater magnitude than those investigated before by a local planning inquiry. Public opinion will need to be assured that a fair decision has been reached on the fast breeder and a two-stage inquiry may be hetter suited to this. At the very least, it could help prevent the nuclear argument turning into a theatre of violence.

** Decision Making For Energy Futures. Pearce, Edwards and Beuret, Macmillan, £10.*

Letters to the Editor

Arc of crisis

From Mr. A. Yasamee.

Sir, — Mr. James Buxton in his admirable article (April 28) writes: "The key destabilising factor is not Soviet expansionism — though this is bad enough—but the issue of Palestine which Saudi Arabia, as guardian of the holy places of Islam, has to concern itself with."

This is indeed a breath of fresh air in an otherwise torpid atmosphere of make-believe. The undeniable fact is that as long as the Palestinians are denied their right to self-denied their right to self-determination, the Middle East, nay, the whole "arc of crisis," will remain a potential powder keg."

To those who still never seem to tire of pressing the Palestinians into submission, might I humbly suggest that they ponder over the words of Bismarck about the Poles: "Beat the Poles that they should lose the will to live. I sympathise with their plight, but if we want to survive, then we cannot act otherwise than destroy them." History shows how greatly mistaken he was in his belief.

Abdullah Yasamee.
49, Queens Road, SW19.

Crumbling bridges

From Mr. L. Bloch

Sir,—In your leader on the west, Iran and the Gulf (April 28), you argue that the only effective way to repair the crumbling bridges between the West and Moslem countries is for President Carter to exercise the potential leverage that the U.S. has over Israel in order to bring about a comprehensive peace settlement in the Middle East.

This, according to your views, can only be achieved through a form of Palestinian self-determination. Many people are far from convinced that a satisfactory solution of the Palestinian imbroglio would have such a decisive effect on the stability of the region.

From the war in the Chad to Iran and Iraq, we have what you so aptly call "a swathe of turbulent territory" and most of the turbulence has nothing to do with Israel.

But, even if we were to assume that those crumbling bridges were somehow connected with the Israel-Arab conflict, is there any real prospect of the United States exercising that leverage against the Jewish State? The only honest answer to this question is that neither Mr. Begin's Government, nor the administration of Mr. Shimon Peris, which is likely to succeed it, has the slightest intention of giving up East Jerusalem, the whole of the West Bank, or indeed negotiate with the Palestine Liberation Organisation. On the other hand, the Palestinians insist that these are sine qua non conditions for any settlement.

The Carter administration contained a high number of pro-Arabs personalities. Soma have since resigned but even in their heyday they could not pressurise Israel. Nowadays, nobody should expect the United States to twist Israel's arm, either before the election or afterwards. Neither President Carter nor Mr. Reagan have shown the slightest inclination to do so.

In the circumstances, the most urgent task of the West is to ask itself some uncomfortable qnestions which are very different from those put forward by you. They are: how ca nthe vital oil supplies of the West be safeguarded in the event of the Israel/Arab conflict going on for a very long time; and if the old bridges between the West and the Moslem world go on crumbling, as they will, what can be done t oreplace them or what is to be done without them?

Lionel Bloch
9 Wimpole Street, W1

Consumerist values

From Mrs. P. Edwards

Sir,—Fortunately the hallot box will demonstrate the fallacy of the views expressed by Professor Myddelton on April 28. He might find reading the jobs columns in his local Press qnite enlightening. Here the magic figure for adnlts is £3,999, which almost certainly will have no overtime or fringe benefits of any kind added to it—the tax returned to the breadwinner on that will hardly pay for him to have a tooth out, let alone pay for his own hospitalisation in a serious illness.

I just wonder where the Professor got his figures of 54 per cent who want opt out of the state health service and 60 per cent out of state education. I fear that if management—and *Government*—do *not* get away from playing the percentage game and look at real live people and their circumstances, this country haa a grim future.

P. D. Edwards (Mrs.).
4, Coppins Lane,
Borden,
Sittingbourne,
Kent.

Collectivism or freedom

From Mr. A. Gray.

Sir,—As Professo rMyddelton suggests (April 28) there is little doubt whether the majority of individuals are better served by compulsory collectivism or voluntary market freedom. In tha long run only the individnal can successfully choose his own way of life if satisfaction is what we all desire to achieve.

It is, however, necessary to ask why we ever developed a system of compulsory collectivism in the first place. If we say it is true that we operate in a representative democracy, then the answer must be that we chose it. And we, or at least ore forefathers, chose it because the market system was so widely abused from the period immediately following the first land enclosures (hence the enactment of the Poor Laws) up to hte worst abuses last century during the height of the indnstrial revolntion.

To *pursue* the principle of the market as the only valid economic arbiter is perfectly sound, but the essential prerequisite for such a system to operate successfnlly is that each and every market needs to be free. If all or some are not free, then according to the extent of the lack of freedom in a particular area one might expect to find the growth of compulsory collectivism to compensate.

Adrian Gray.
31, Russell Road,
Wimbledon, SW19.

Going to law—U.S. v. UK rules of costs

From Mr. J. Scott Brown

Sir,—The article on contingency fees (April 28) is a prime example of reaching an absurd *conclusion* having begun from a point of being either ill- or totally uninformed. It must be first understood that the U.S. inherited from English law its original rules of decision (many of which, happily, have been since outgrown) and many (but not all) of its procedural protections. Over the past two centuries, however, the American system has developed certain cler distinctions.

You are quite right when you say that the English position had its origin in opposition to the specific offences of champerty, maintenance and barratry; however, you err in not noting that these are offences with which lawyers historically were not involved.

Where maintenance was involved in a lawsuit, the "aintainor" waa the client, not the lawyer. Champerty had no necessary connection at all with litigation, but rather got its name in England from a specific feudal institution (called the tenancy by champart) and lent itself most easily to the evasion of the law against usury. If you add to these two points the clerical opposition to litigatinn in general, but particularly litigation in the secular courts, we have the background against maintenance grew up. Evidently, that background has disappeared, but a condemnation of litigiousnesa alone remains as a common element in the medieval and modern attitudes.

As a matter of historical contrast, in the U.S. the contingent fee contract developed as a tool of law practice in direct response to the Industrial Revolution and the transportation boom, which visited upon American way of h ofifihfjvfi- en — can working class ancestors a previonsly unknown incidence of industrial injury and death. The continned successful opposition to the contingency fee in England under similar social conditions suggests that the U.S. legal profession in the 19th century enjoyed a broader and more democratic political and economic base than did the Bar in England.

In modern times, comparing the English and American rules of costs in litigation, it is no accident that the American litigant must bear his own costs of counsel and other trial expenses, save for minimal court costs. This is a deliberate choice to insure that access to the courts he not effectively denied those of moderate means.

The contingent fee system haa therefore developed as the "poor man's key to the courthouse door," since it has enabled all persons, regardless of financial status or social station, to litigate their just claims. It is also generally acknowledged that the contingent fee has been the direct cauae of considerable improvements and advancements in the state of the *substantive* law in a number of areas.

Cases brought on a contingent hasis have lead to legal rulings significantly more favourable to recovery in areas of wrongful death, liability in tort of nnn-profit hospitals, and indeed have been said to he a cause of many innovations in automobile deaign and safety, of an increased consciousness by employers of safety conditions in the workplace, and other socially heneficient trends.

It has been estimated that 90 per cent to 95 per cent of the progressive decisions made during the years 1958-1968 were a result of litigation instituted hy members of the plaintiff's Bar on behalf of clients under *contingent fee arrangements.* It ia submitted this legal dynamism, as it exists in the United States, is quite apart from the strictures imposed upon a potential plaintiff in England who, without funds, must rely on the predictably unadventurous view of what the law *is* or *ought* to be, as interpreled by the legal aid committee of the Law Society.

There must be some suspicion that "safe" decisions, of the sort that plaintiff's attorneys in the United States are said to make to eliminate the possibility of failure, are made too *frequently* by legal *aid* committees, with a consequent higher rate of success for those parties who are granted aid.

Your submission that the client might lose in two ways by a contingent fee system is ill founded. The resourcea available to an American plaintiff's attorney to assess his case as to whether it ought to be dealt with hy settlement or trial are such that the decision to try the case or not is hased upon the likelihood of success only, success being measured by the dollar difference between a possible jury verdict and what the likely settlement would be *from the defendant's insurance* company. There is, therefore, no "atrong temptation to settle the claim before incurring the beavy expense of preparing for trial," since according to the American system trial preparation begins from the moment the client walks in the door. As to how the client may lose, you say that "... the client, baving nothing to lose, might insist on pursuing a bopeless or irresponsible claim in the faint bope of getting *something.*"

Leaving aside for the moment the reference already made on what contitutes an "irresponsible" claim (e.g., nne which has been litigated before, time and again is "responsible" as opposed to one which adopts a new principle and is, arguably in your view 'irresponsible," the type for which the Law Society would rarely grant funding), the plain fast is that, in as much as the plaintiff's attorney himself makes his decision whether he shall spend his own money in respect of the client's claim, it is absurd to say that any lawyer will file such a case where his own view of the case is that it is hopeless or irresponsible.

Unless contingency fees are adopted in England and trial by jury is re-established in tort cases, other unfortunate litigants will have to continue to seek their better, fuller relief outside the British Isles where-ever possible. Only those who have vested interests in blocking advances in the law, thwarting improvements in products' safety and fullest compensation for devastating injuries can feel complacent and satisfied with this prospect.

J. Scott Brown.
6 Kirkside Road,
Blackheath, SE3.

Today's Events

GENERAL

UK: Mrs. Margaret Thatcher presents Winston Churchill Memorial Trust medallioos, Kensington Towo Hall.

Mr. David Howell, Energy Secretary, opens combined heat and power scheme, Hereford.

Mr. James Prior, Employment Secretary, visits Kirby and West's factory, Leicester: speaks at Kettering Conservative Association.

Sir Peter Gadsden, Lord Mayor of London, visits Dungeness power station, Kent: dines with Farriers' Company, Mansion House.

Wales Trades Uoion Congress meets, Llandudno.

Catholics from England and Wales gather for first national pastoral coogress, Metropolitan Cathedral, Liverpool.

Two-day Newark and Notts. Agricultural Show opens, Newark.

Spring Motor Cycle Show opens, Bingley Halls, Birmingham (until May 5).

Boat Show opens, Bristol (until May 6).

Overseas: Mr. Roy Jenkins, European Commission president, in New Delhi for talks with Mrs. Indira Gandhi, Indian Prime Minister, on commercial agreement between India and EEC.

President Zia-ul-Haq of Pakistan starts official six-day visit to China.

Hunt brothers due to appear before Senate agriculture sub-committee, Washington.

Referendum on system of governmeot, Nepal.

Second round of parliamentary elections, Iran.

Zimbabwe International Trade Fair opens, Bulawayo (until May 11).

PARLIAMENTARY BUSINESS

House of Commons: Debate on London.

OFFICIAL STATISTICS

Capital issues and redemptions during the month of April. UK official reserves for April.

COMPANY MEETINGS

Banro Consolidated, Belfry Hotel, Wishaw, Sutton Coldfield, 12. T. Clarke, The Savoy Hotel, WC, 12. Montagu Boston Investment Trust, 117 Old Broad Street, EC, 12. Noble and Lund, Felling, Gateshead, Tyne and Wear, 10. George Oliver (Footwear), Murrayfield Road, Braunston, Leicester, 12. L. Ryan, Park Hotel, Cardiff, 12. George Spencer, Wimborne House, Bar Lane, Besford, Nottingham, 12. W. and E. Turner, St. Crispins Way, Thurmaston Way, Leicester, 12.

COMPANY RESULTS

Interim dividends: M and G Group (Holdings). Westward Television. Interim figures: Lockwood Foods.

CONSTRUCTION RESULTS

Second half recovery fails to lift Wimpey

IN SPITE of a strong recovery in the second balf, in line with forecast, taxable profits of George Wimpey, the new bolding company of the Wimpey Construction Group, were down from a record £57.2m to £47.3m for 1979. Turnover was £1bn compared with £853m.

Mr. R. B. Smith, chairman, says that the group's progress is not reflected in the results.

Delays during the 1978-79 winter meant that some contract and housing work was not sufficiently advanced by 1979 year-end to bring profits into the year's accounts, while increased investment in building land, property and operating assets at home and abroad, increased borrowings—interest charges jumped from £8.2m to £12.6m.

The investment programme will yield material benefits in future years, the chairman states, but inflation, interest charges and the general business outlook, "make it imprudent at present to anticipate the 1980 results."

After tax of £6.6m (£11.8m), stated earnings per 25p share are 16p (17.8p) and the dividend total is 2.25p (2.27074p) with a final payment of 1.5p.

The relatively low tax charge results from stock relief, certain accelerated depreciation allowances and prior year adjustments to UK tax.

	1979 £m	1978 £m
Turnover	1,004.0	853.0
Group work	847.0	663.0
Associates' work	157.0	190.0
Operating profit	50.2	51.1
Associates'	9.7	12.3
Interest payable	12.6	6.2
Profit before tax	47.3	57.2
Tax	6.6	11.8
Net profit	40.7	45.4
Minority losses	0.2	0.3
Attributable	40.9	45.7
Dividends	5.8	5.8
Retained	35.1	39.9

Lex Back Page

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims—British Industries and General Investment Trust, Drayton Consolidated Trust, M and G Group, Westward Television.

Finals—Arcolectric, Blockleys, Inter-City Investment, Marshall Cavendish, Monsoy, Ovenstone, Quest Automation.

FUTURE DATES

Interims—	
Brockhouse	May 22
Serck	May 8
Finals—	
Altifund	May 7
Bilton (Percy)	June 2
Foster Brothers Clothing	May 15
Hewlin	May 8
London and Northern	May 20
Progressive Securities Inv. Tst.	May 21
Readicut International	May 19
Sainsbury (J)	May 7
Solicourt	May 13
Third Mile Investment	May 6

Mowlem unable to arrest fall

PRE-TAX PROFITS of John Mowlem and Co., the building, civil and mechanical engineering group with property development and investment interests, declined from £5.92m to £5.72m in 1979. After shading slightly in the first six months from £2.41m to £2.33m., there was no recovery in the second half and the figures dropped from £3.51m to £3.39m.

After tax up from £1.51m to £1.77m, stated earnings per 25p share are down from 27.9p to 25p. The total dividend is increased by 10 per cent to 7.98p net with a final of 6.23p (5.6083p). Shareholders' funds are 213.9p, against 160.3p.

Attributable profit before extraordinary items £67,000 (nil) was £3.96m (£4.41m). Dividends take £1.28m (£1.15m). Assets employed during the year amounted to £36.9m (£26.8m).

As a result of the printing dispute, publication of the annual report and accounts has been delayed. The date of the annual meeting has still to be decided.

Mr. Philip Beck, the chairman, says the group has an adequate workload which should enable profits for 1980 to be broadly similar to those of 1979.

● **comment**

Mowlem shares were among the worst performers in the mixed bag of construction companies reporting yesterday and it is not hard to understand way. Profits for the year were down by £200,000 pre-tax despite a positive £900,000 turnround in soil mechanics. Yet the UK construction division has broadly maintained its position and the difficulties in McTay and engineering products look to be only temporary. A somewhat parsimonious dividend increase, in view of strong historic earnings cover, also helps to explain the 2p fall to 103p yesterday but the yield is still a reasonably attractive 11.8 per cent and the desire to retain cash argues for a renewed acquisition effort in near future. The historic, fully taxed p/e of 5.6 is not out of line.

Aberdeen Constn. at £3.45m

A SECOND half expansion from £2.14m to £2.61m has left taxable profits of Aberdeen Construction Group just ahead at £3.45m for 1979, compared with £3.35m. Turnover rose from £56.14m to £61.1m.

At halfway profits had fallen to £845,564 (£1.21m).

Year-end earnings per 25p share of this building civil engineering, mineral extractor concern are shown as 18.33p compared with 15.66p and the dividend is stepped up to 5.75p (5.144p) net with a final payment of 3.65p.

Tax for the period took £1.43m (£1.43m) leaving net profits at £2.02m against £1.73m.

Dividends will absorb £634,334 (£567,481).

● **comment**

Aberdeen Construction, which reported pre-tax profit of £2.6m in the second half of 1979 after a weather-beaten £846,000 in the first six months, has ended the year slightly up on 1978 and ahead of expectations. The shares gained 7p to 97p yesterday, probably influenced more by the results than the £4.7m revaluation surplus. All divisions contributed to the improvement, with the concrete and aggregates businesses in the forefront. With the letting of the first phase of the Rubislaw development last autumn, the company's property division will become a growing source of profit, perhaps contributing £330,000 this year but public sector housing cuts could hurt the building division. The yield of 8.8 per cent and fully taxed p/e of 6.2 do not seem demanding.

FPC CONVERSION

Holders of £2.4m 6½ per cent convertible unsecured loan stock 1998-2003 in English Property Corporation and holders of £6,621 12 per cent convertible unsecured loan stock 2000-2005 have exercised their rights to convert their holdings into ordinary shares on April 21.

HIGHLIGHTS

The Government yesterday announced the long awaited details of the seventh round of North Sea exploration licenses, and Lex considers the financial implications of the proposals. The leading company result in the UK came from Wimpey. Its figures are disappointing in terms of profits, which are well down, and dividend. Lex also analyses the consolidated figures for Hoechst which also released first quarter results for its domestic German operations. On the inside pages four other building and construction companies reported results which come in for comment and there is news of Pearson's acquisition of Fairey through its Doulton subsidiary—Lex comments.

Henry Boot £2m out of the red

A YEAR of consolidation, re-organisation and improved efficiency has resulted in Henry Boot and Sons, construction, engineering and property group, making a substantial profit during 1979. After reporting heavy losses of £3.69m in the previous year, the group now reports a pre-tax profit of £2.23m. Turnover was up from £77.96m to £82.01m. The final dividend is 10p for a total of 13p, against 2.5p.

Mr. E. H. Boot, the chairman, says the construction activity has re-organised within its building operations and has established itself in the field of fee and management contracting.

The joinery activity made a considerable contribution to profits and justified capital expenditure over the past few years. He says other activities generally were operating profitably, except agricultural equipment which has been unable to improve its performance.

The company continues to maintain its strong financial base, and he expects that 1980 will prove to be a more profitable year.

After a tax credit of £399,000 (£1.96m), attributable profit is £2.63m against a loss of £1.74m, and stated earnings per 50 share are 49.1p, compared to a loss of 33.1p last time.

● **comment**

Henry Boot is coming out of the doldrums at speed, reporting pre-tax profit of £2.2m in the second half of 1979 compared with corresponding £2.9m loss. The shares are also rising quickly, putting on 28p yesterday to 140p. The 10p final dividend—the final was passed last year—results in a record 13p total, reflecting confidence that a further profit improvement is in store. Next week, the company will reveal its plans to deal with the chronic lossmaking agricultural equipment division. The yield of 14.3 and fully taxed p/e suggest that investors are still wary after the startling descent into loss in 1978.

Newarthill picks up over £10m

AFTER a midway slip from £5.41m to £5.16m, taxable profits of Newarthill, the parent company of Sir Robert McAlpine and Sons, recovered to £10.04m in the year to October 31, 1979, compared with £9.28m.

The downturn at the interim stage reflected extreme weather conditions early in the year, but the directors said then that expansion of allied activities had materially assisted profit, and forecast a full-year surplus at least equal to that of 1977-78.

Turnover for the year was ahead from £147m to £163m. After tax of £5.63m (£4.55m), net profit is down at £4.41m (£4.71m), giving earnings of 25.3p (27.4p). The single dividend is stepped up from 5.324p to 6p net.

Extraordinary credits of £6.51m (£110,000) include provisions for stock relief no longer required of £6.32m.

● **comment**

Newarthill has edged ahead of its interim forecast but the way forward is to say the least cloudy. The shares, unchanged yesterday at 250p, are barely supported by a 3.5 per cent yield and, as Mowlem also demonstrated yesterday, the underlying level of assets has little or no bearing on construction sector market values. In Newarthill's case, investors can only guess at net worth but the discount is thought to be heavy. A breakdown of the divisional performance and an outline of trading must wait for the forthcoming accounts but, in the meantime, a p/e of 5.5 per cent on a 56 per cent tax charge is probably about right.

SPAIN

April 30	Price %	+ or −
Banco Bilbao	207	−1
Banco Central	222	−2
Banco Exterior	206	
Banco Hispano	204	−1
Banco Ind. Cat.	125	
Banco Madrid	143	
Banco Santander	245	−2
Banco Urquijo	140	
Banco Vizcaya	213	−2
Banco Zaragoza	200	
Dragados	86	−4
Espanola Zinc	80	
Fecsa	58.7	
Gal. Preciados	26	−1
Hidrola	64.2	
Iberduero	58	−0.5
Petroleos	102	
Petroliber	59	
Sogefisa	107	
Telefonica	54	
Union Elect.	63	−0.2

Davies and Newman profit up £1.4m by year end

AFTER REDUCING the mid-term loss from £1.18m to £585,000, Davies and Newman Holdings, shipbroker, ships' agent and airline operator, finished 1979 with record taxable profits of £3.38m, a rise of £1.37m. Turnover improved from £117.5m to £129.5m.

All main activities showed an improvement over 1978, directors state.

Although there has been some falling off in freight rates in the tanker market in the first quarter of the current year, shipbroking departments continue to be active and they are reasonably confident of a satisfactory year.

The directors say the most important factor affecting the future at Dan-Air is the possible erosion of profit margins due to escalating costs. While the full employment of the fleet in the summer should form a sound basis, they feel it is too early to forecast likely results for 1980 from this side.

Earnings per 25p share are shown as 73.4p (22.3p) on a net basis, and 76.9p (25.9p) on a nil basis. The dividend is stepped up to 10p (8.155642p) net with a final payment of 6.92p. Also proposed is a one-for-six scrip issue.

Pre-tax figure for the year included interest and investment income of £424,000 against £261,000, associates' share of £74,000 (£96,000), but was struck after interest charge of £748,000, compared with £722,000.

There was a tax credit of £196,000 (£923,000 charge) leaving net profits well ahead at £3.57m (1.09m).

● **comment**

With a dividend covered more than 7 times, Davies and Newman can hardly be accused of extravagance. The cover is helped on its way by a net tax credit, thanks to capital allowances on new aircraft. With £12m spent on new aircraft this month, it looks as though little of 1980's profits will find its way to the Revenue either. The company sounds a little less sanguine than it did this time last year. While Dan-Air is booked up for the summer season, there are still slots in the winter. Shipping has seen a falling off in rates, but since this accounts for less than 10 per cent of profits, the impact on the group should be modest. The market liked the figures enough to push the shares up 15p to 130p, where on stated earnings the p/e is still a humble 1.7 on an 11.6 per cent yield. The share price lags net worth by 61p on the 1978 balance sheet.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Constr.	3.65	—	3.14	5.75	5.14
Henry Boot	10	—	Nil	13	2.5
Border Breweries	3.3	July 7	2.89	4.5	3.91
Davies and Newman	6.92	Aug. 1	5.44	10	8.16
Guardian Inv. Trust	3	July 4	2.25	4.6	3.15
Hunting Gibson	3	—	1.25	4.5	1.28
Martin-Black	Nil	—	1	Nil	2
John Mowlem	6.23	—	5.61	7.98	7.26
Newarthill	6	June 21	5.32	6	5.32
Platignum	0.44	Aug. 15	0.35	0.6	1.01
Save and Prosper LIT 2nd int.	7.28	June 2	5.94	15.84	12.48
Shiloh Spinners	1.08	June 19	1.06	1.83	1.83
Wemyss Invest. int.	7‡	July 2	5	—	15
Utd. Wire int.	2.2	July 2	2.2	—	5.75
W. Williams	0.63	—	0.63	1.13	1.13
G. Wimpey	1.5	July 4	1.5	2.25	2.27
Wire and Plastic	1.12	July 1	1.04*	1.85	1.68*

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and or acquisition issues. ‡ To reduce disparity.

Norwich invests in leasing

THE LIFE SOCIETY of Norwich Union Insurance Group last year invested over 10 per cent of its new money in leasing activities — a rather unusual form of investment for a life assurance company. Of the £220m new money available for investment a gross amount of £23m was allocated to the NU's leasing activities, bringing the total amount invested in leasing, less depreciation, to £49.6m against £35.5m at the end of 1978.

The Life Society invested £90m in gilts last year, a further £53m in equities and £51m in property, the latter almost entirely in new buildings rather than acquiring existing property. At end-1979, the life funds portfolio totalled £2.235bn, of which £421m was in gilts, £528m in equities and £805m in property.

Regular premium income of the long-term funds improved by 17 per cent from £22m to £26m, but single premiums dropped from £40.7m to £38.8m. Investment income advanced by 23 per cent from £161m to £198m. Claims and expenses were only marginally higher at £211m and the funds improved in 1979 by over £330m to £1.79bn. The investment reserve was reduced slightly to £639m.

The Fire Society achieved an underwriting profit for the fifth successive year, a modest amount of £2.6m being recorded in 1979. A 38 per cent rise in investment income resulted in a record pre-tax figure of £36m. The severe weather last year, and the increase in national fire wastage resulted in reduced profits on the Home Fire account.

The Home Accident account say most portfolios produce satisfactory results, except the personal portfolio. A warning rate increases on personal business was given by Mr. Desmond Longe, the chairman.

The group's joint reinsurance venture, Norwich Winterthur, continued to develop satisfactorily, with the First Society's share of the profits in 1979 amounting to £2.3m — slightly bigher than in 1978.

Norwich General Trust, in the group's banking division, also had an excellent year, with pre-tax profits amounting to £6.15m against £4.17m in 1978. A. P. Bank had a satisfactory year, with its international trade finance and foreign exchange facilities in strong demand.

Outlook 'not encouraging' for Lontrim

In line with expectations, Lontrim, the company formed in November last year to merge Suffolk Trimmer and the London Trimming Company, produced a pre-tax profit of £60,401 for 1979. Turnover was £739,067.

But a recent severe downturn in the marine industry has led to the company incurring a loss for the first three months of the current year. In addition, a major customer has suspended production of the cruising boats for which Lontrim manufactures trimmings and bonds.

Immediate steps are being taken to reduce overheads and seek alternative markets, say the directors, but the prospects for 1980 are not encouraging.

When the prospectus was published in December, the directors forecast profits of not less than £120,000 for 1980, and net dividends amounting to 3.36p.

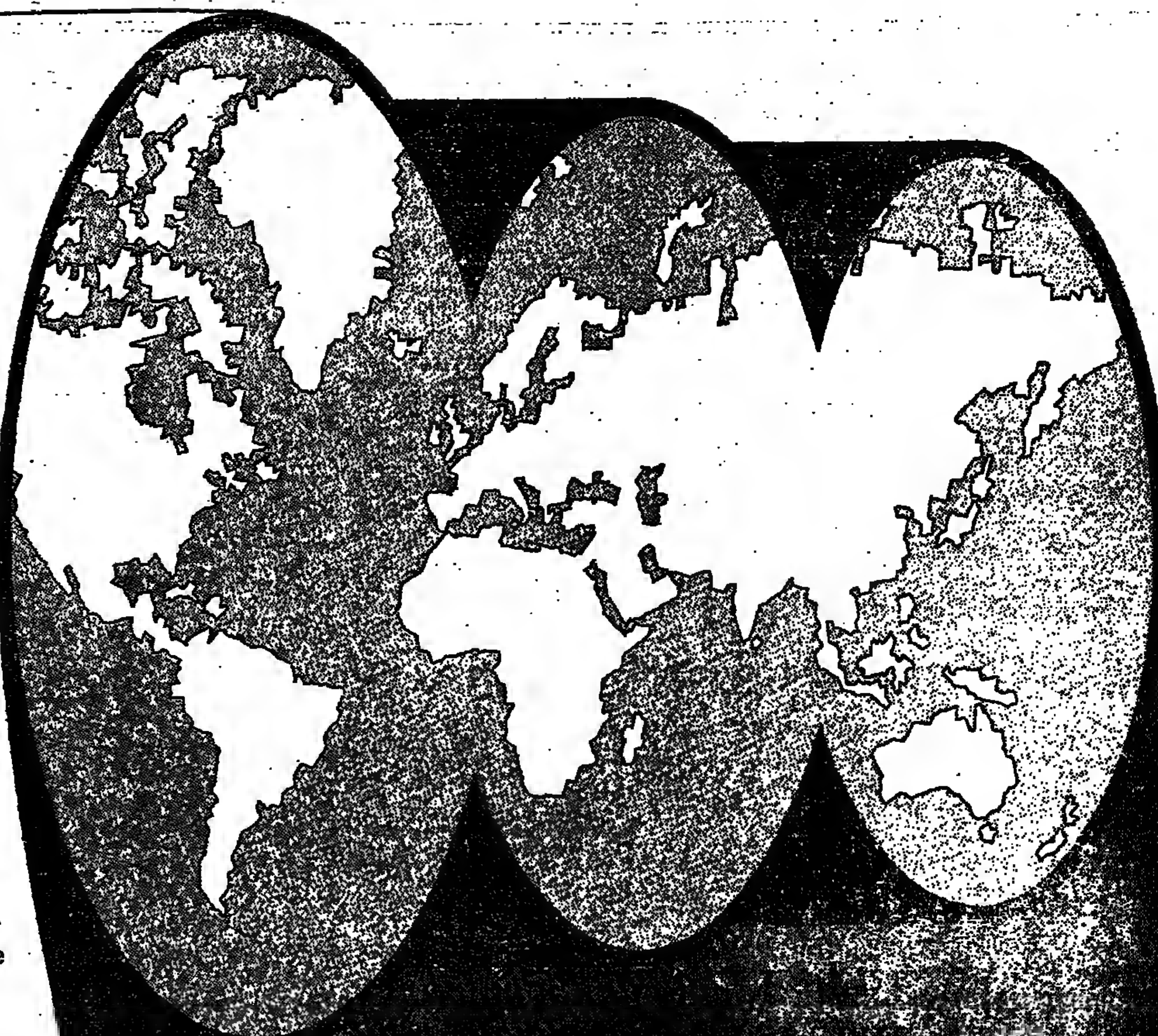
The company's shares are traded on the Stock Exchange under rule 163 (2).

هكذا من الأصل

International diversity gives strength to Bowater

Encouraging prospects for the 80's

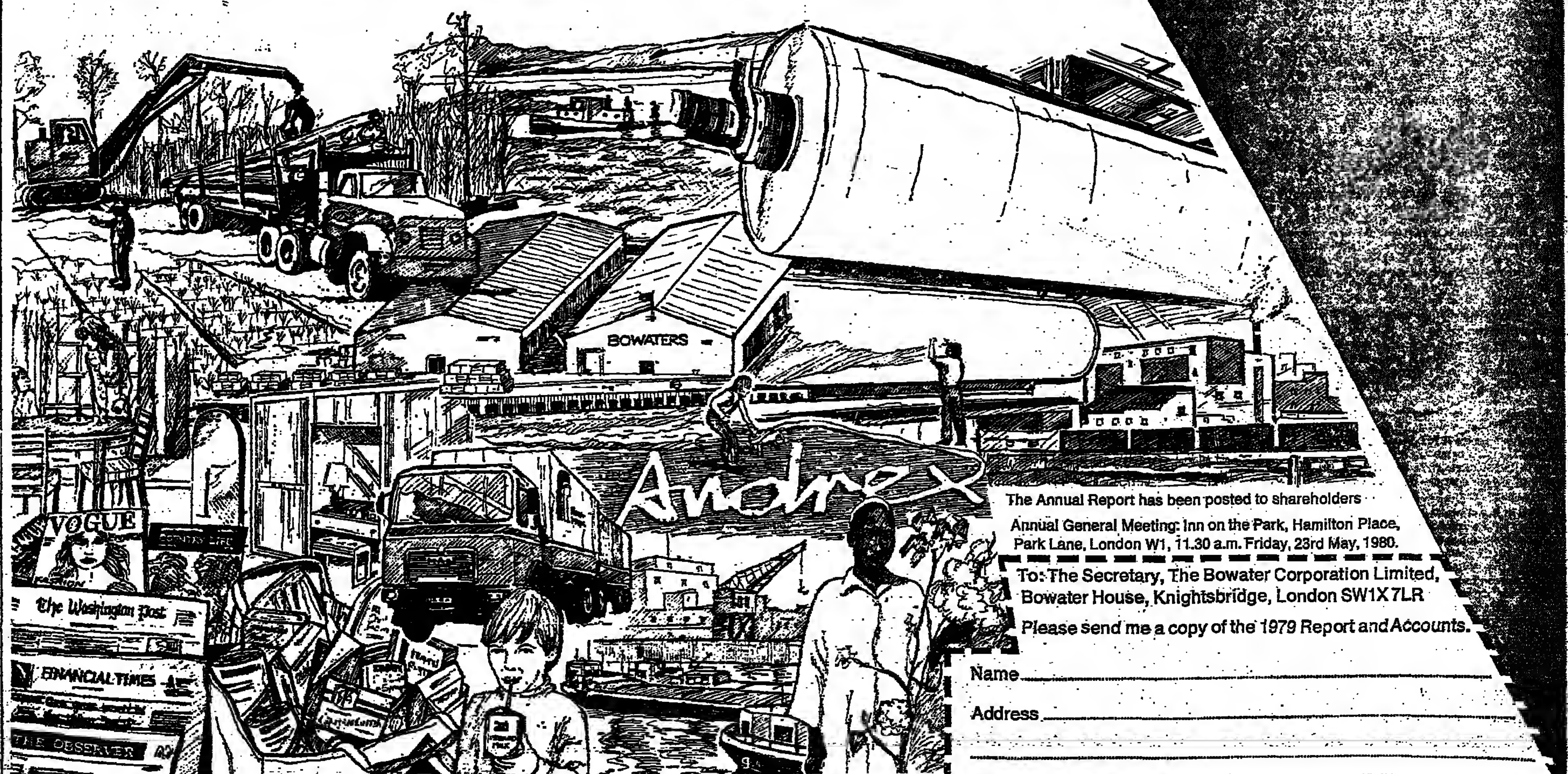
	1979 £m	1978 £m	Change %
Trading profit	**112.9**	111.8	+ 1
Profit before taxation	**91.3**	90.0	+ 1
Profit before extraordinary items	**51.7**	40.1	+29
Added to ordinary shareholders' funds	**33.3**	24.0	+39
	Pence	Pence	
Earnings per ordinary share	**33.1**	26.6	+24
Dividends per ordinary share	**11.5**	10.8	+ 6
Net assets per ordinary share	**235.2**	222.1	+ 6
	%	%	
Contribution to trading profit			
United Kingdom	**28.5**	31.3	
Overseas	**71.5**	68.7	
Return on assets employed	**18.5**	19.2	



Bowater 79

- Profit attributable to shareholders up 27%
- Gearing further improved by reduction of borrowings from 46% to 39% of total capital employed
- Two new paper machines commissioned
- Our pulp and paper mills in North America expected to run full throughout 1980
- Increasing benefits will flow from our substantial capital expenditure in recent years
- Greater cash generation a prime objective, especially from our manufacturing companies in the United Kingdom
- Development of trading and service activities will continue as a counterbalance to our capital-intensive manufacturing operations

The Bowater Corporation Limited



The Annual Report has been posted to shareholders

Annual General Meeting: Inn on the Park, Hamilton Place, Park Lane, London W1, 11.30 a.m. Friday, 23rd May, 1980.

To: The Secretary, The Bowater Corporation Limited, Bowater House, Knightsbridge, London SW1X 7LR

Please send me a copy of the 1979 Report and Accounts.

Name ____________________

Address ____________________

UK COMPANY NEWS

Hunting Gibson higher and paying 4.5p

AN INCREASE of £1.63m to £2.89m in pre-tax profits is reported by Hunting Gibson, ship owner and manager and ship and air broker, for 1979. At halfway, profits were £1.05m against a loss of £182,000.

The total dividend is raised from 1.275p to 4.5p with a final of 3p (1.25p).

Broking activities were the biggest contributor to profits and increased from £690,000 to £1.26m. Shipowning and management swung from a £572,000 loss to return profits of £230,000. Share of profits of associated companies was up from £849,000 to £1.19m.

The surplus of £1.31m arising from the sale of the Nile Steamship Company has been carried forward.

After tax up from £388,000 to £515,000 and minorities £76,000 (£69,000), attributable profit is up from £782,000 to £2.28m, and stated earnings per 20p share are 30.73p (11.29p).

● comment

The market registered approval yesterday when Hunting Gibson came through with more than doubled pre-tax earnings; the share rose 15p to 105p. Although the group netted £1.3m from the sale of the Tyne Bridge, this amount went into the cash balance, not profits. Income growth came from the broking business, where the figure almost doubled. In the fiercely competitive shipping market, broking commissions can be more lucrative than ship ownership, where overhead costs are high. Still, Hunting was able to come out of the red in its shipowning and management business, mainly because of its rationalisation programme. The rest of the movement stemmed from the 30 per cent share of Hunting Petroleum, which had a 41 per cent pre-tax rise not long ago. With interest charges down by 40 per cent to around £875,000, Hunting Gibson is in reasonable shape. The dividend is up to 4.5p, although still heavily covered, and yields 5.7 per cent. The p/e on a full tax charge stands at 7.

United Capitals distribution

Shareholders of United Capitals Investment Trust are likely to receive an initial capital distribution of 20p per share, assuming they approve a special resolution on May 21 that the company be wound up. The directors hope this will be paid within a month of the resolution being passed.

Writing to members with details of the proposed voluntary liquidation Mr. G. T. Cantlay, chairman, says that the directors have been carrying out a programme of selling the company's investments in listed securities

Mr. Cantlay also refers to United Capitals' unlisted investments, adding that "circumstances could arise in which it would be advantageous" to distribute some of these in specie.

The directors of United Capitals, whose aggregated holdings represent roughly 32.6 per cent of the equity, say they will vote in favour of the special resolution at the extraordinary general meeting

SHEFFIELD FIESTA

Mr. Tony Richmond, a partner in chartered accountants Peat Marwick Mitchell and Mr. J. H. Priestley of Poppleton and Appleby, have been appointed joint liquidator of Sheffield Fiesta Club, one of the largest cabaret clubs in the North with a seating capacity of 1,250.

Mr. Richmond says the estimated deficiency, as shown by the statement of affairs, is slightly in excess of £500,000. The company only traded for 32 weeks.

United Wire downturn

INTERIM PROFITS of United Wire Group fell from £649,000 to £534,000 on turnover of £7.56m against £6.65.

The directors explain that the downturn, for the half year ended March 29, 1980, particularly severe in the wire division, was due largely to the continuing strength of sterling, high interest rates, and a keenly competitive environment preventing the recovery of inflationary costs.

The South African companies, however, made a good contribution to results and are expected to do equally well in the second half. The directors say this will help to compensate for the more difficult UK trading conditions in this period.

In January the directors said that with the first quarter's figures known, and with a good indication of the order position for the following three months, profits for the first half would be similar to those of 1978/79.

Half-year earnings per 25p share are shown as 4 (3.6p) and the interim dividend is unchanged at 2.2p net—last year's final payment was 3.55p from pre-tax profits of £1.31m.

Tax for the six months takes £206,000 (£356,000), there was an extraordinary debit of £15,000 (nil), and after minorities £2,000 (nil) and preference dividends £1,000 (same), the attributable balance came out at £310,000 (£292,000).

Platignum cuts dividend

A SHARP decline in pre-tax profits and a cut in final dividend is reported by Platignum, formerly Mentmore Manufacturing, for the year to January 31, 1980.

The profit diminution was forewarned at midway, when a downturn from £216,389 to £96,789 was recorded and the directors said they expected some appreciable fall back in the full year's result.

Now, describing the 12 months as disappointing, Mr. Christopher Andrews, chairman, attributes the profit slump, from £655,219 to £330,936, to the poor performance of the UK writing instrument division.

He says that record sales and profitable progress by the plastics business failed to offset a drop in margins experienced by this division.

In view of the poor result and the continuing uncertain economic conditions the directors consider it prudent to reduce the net final dividend to 0.44171p (0.85371p), making a total 0.6p (1.0119975p).

	1979-80	1978-79
	£	£
UK external sales	9,575,988	8,873,042
Pre-tax profit	330,936	655,219
Tax	139,838	354,262
Net profit	191,098	300,957
Pref. dividends	3,087	3,087
Available to ord.	188,011	297,870
Ordinary dividends	131,980	†208,228
Retained	56,031	89,642

† After waivers of £2,018.

Difficulties for Shiloh Spinners

INCREASING COSTS, high interest rates and the ever increasing flow of cheap subsidised imports are blamed by Mr. E. T. Gartside, the chairman of Shiloh Spinners, for the severe downturn in pre-tax profits for the year to March 29, 1980.

Despite an increase of 11 per cent to £9.42m in turnover, pre-tax profits came out at £65,097 against £391,718. At halfway a fall from £143,117 to £73,569 was reported.

Mr. Gartside says trading conditions have been some of the worst ever experienced in the industry, and the company has done well to maintain full employment and to achieve a near break-even position under these circumstances.

Subsidiaries engaged in the manufacture and merchanting of disposable and protective clothing have had a satisfactory year, although they suffered a reduction in profits because of the general economic climate, he adds.

Distributable reserves have benefited from an extraordinary profit of £101,870 on the sale of land and buildings, and by the release of £126,385 of deferred tax no longer required. There was a tax charge of £103,122 last time.

Profit after tax and extraordinary items is £293,352 against £183,596.

The final dividend is unchanged at 1.0769p for a total of 1.8269 (same).

Chairman says prospects for the immediate future are not good, but with recent re-organisation and re-equipment, the company is well poised to take immediate advantage of any improvement in trade when it comes.

Border Breweries at £1m

FOR THE year ended February 29, 1980, Border Breweries (Wrexham) has pushed up its profit from £895,052 to £1,001,496. And the dividend is lifted from 3.911p to 4.5p net, with a final of 3.3p.

Turnover rose by £1.15m to £13.43m. After tax £311,594 (£354,373) and extraordinary items, attributable profit came to £696,606 (£587,999).

Martin-Black into loss: swift recovery unlikely

A SHARP decline in trading profits from £427,000 to £11,000 combined with higher interest charges and exchange losses to leave Martin-Black, wire rope maker, with a pre-tax loss of £445,000 in 1979, compared with profits of £179,000.

A sustained drive to reduce costs and increase productivity has met with some success, say the directors, but there is still much to be done. Without an increase in volume, a swift improvement is unlikely.

First-quarter sales in the UK and Canada are substantially ahead of the same period last year, but while this is a welcome improvement, they point out that the 1979 figures were depressed by the transport strike.

The deficit this time is struck after depreciation of £318,000 (£333,000), interest of £434,000 (£286,000), exchange losses of £111,000 (£71,000), and the associate's share of £89,000 (109,000).

After a deferred tax credit of £476,000 (£47,000 charge), there is a net profit of £31,000 (£132,000), giving stated earnings per 25p share of 0.5p (2p). The dividend is omitted—last year a total of 2p was paid.

Turnover rose from £13.95m to £14.03m, although the UK share fell from £6.21m to £5.28m.

Of the pre-tax loss, approximately £100,000 was incurred by Gyrac Engineering Products, and this subsidiary has subsequently been closed down.

As well as the problems of the transport and engineering strikes, the industry in the UK continued to suffer from overcapacity, depressed demand and low prices, say the directors. Maintaining export markets proved costly against severe competition and a strong pound.

The Canadian company recovered in the second half and finished with increased volume and maintained profits.

A new rod-rolling mill which began production in September had a substantial effect on the last-quarter figures of the Indian associates, and they look forward to gaining the full benefit of this investment in 1980.

● comment

Martin-Black's trading position has been deteriorating for about five years. In 1976 the share price stood at around 120p but has gradually been whittled away and yesterday's announcement of £0.45m pre-tax losses took the price down another 2p to 14p where the group is capitalised at under £1m. The problems are serious. Against a background of weak demand, the company has debt of around £2.8m, representing more than 50 per cent of shareholders funds. In addition, there is not much else that can be done in the way of major rationalisation, so an upturn in sales volume is desperately needed. Overseas markets offer the most potential but the strong pound is playing havoc with margins. At home, demand for wire ropes is still at an uncomfortably low level, so the overall outlook is bleak.

Marley to expand leasing

Marley Vehicle Leasing, which has just completed its first year as an independent member of the Marley group, has exceeded forecasts and the company is committing £30m over the next two years to the expansion of its fleet of leased vehicles.

Marley had high growth expectations for this business at the time of the launch and Mr. John Pollard, the Marley group finance director, now estimates that by the end of 1982 the total fleet of leased vehicles will exceed 7,000. The capital employed in leasing is now one of the group's major investments.

Speaking at the company's three-day Silverstone event, Mr. Pollard pointed out that although measures in the recent Budget affected certain aspects of a leasing company's cash flow, a growing market with reduced competition has meant new opportunities.

Mr. Pollard considered leasing to be a low risk business. If the required return is not forthcoming the investment could be run down with substantial cash flow benefits to the rest of the company's activities, he said.

Better trading by W. Williams

IN LINE with forecast, 1979 profits of W. Williams and Sons (Holdings) are unchanged at £203,000. The result, however, masks the real progress made by the company during the year, for it had to bear £36,000 in rights issue costs and an estimated £117,000 in lost profits through the engineering strike. In 1978, had it not been for £69,000 from the sale of South African assets and £139,000 of temporary employment subsidy, a small loss would have been reported.

Turnover for 1979 increased from £8.55m to £9.08m and profit was struck after interest of £179,000 against £174,000. A tax credit this time of £73,866 (£43,932 charge) leaves earnings per 25p share well ahead at 9p (3.7p), and the dividend is held at 1.125p net with a final of 0.625p.

The company operates as a non-ferrous metal diecaster, founder, stockist and engineer.

REPORTS AND ACCOUNTS IN BRIEF

SENNAH RUBBER—Profit for 1979 £507,984 (£595,745), before tax. Net profit £423,597 (£489,165). Dividend 40p gross (same).

WEMYSS INVESTMENT—Interim dividend 7p (5p). Increase goes some way to reduce disparity. Revenue for year to September 30, 1980, estimated at £656,000 (£581,000). Tax £107,000 (£126,000) and credits applicable to franked income £135,000 (£107,000). Available ordinary £414,000 (£348,000). Earnings 18.4p (15.49p). Net asset value 388p (405p) per share.

BELLAIR COSMETICS—Turnover year to November 2, 1979, £2.63m (£2.76m). Loss £115,000 (£47,000), before tax credits, £46,000 (£35,000). Loss per share 2.69p (0.48p). Company is a "close company." Chairman believes current year is going to be at least as difficult as last, and must be considered one of retrenchment.

FIVE OAKS INVESTMENTS (investment holding)—Turnover six months to December 31, 1979, £133,380 (£216,220). Profit £482 (£30,934). No tax (same). Extraordinary debit £57,155 (nil). Loss per share 0.08p (earnings 0.64p). Steps to restore profitability still being taken and the board anticipates a satisfactory year.

APV HOLDINGS (maker of processing and heat-transfer equipment)—Results for 1979 reported March 28, 1980, in full preliminary report. Current assets £142.15m; net current assets £65.41m (£61.98m); decrease in working capital £8.54m (£9.76m); decrease in bank overdrafts £2.17m (£133,000 increase); CCA profit £11.4m (£12.81m) against historic £19.03m (£18.12m). Meeting, New Zealand House, Haymarket, SW, May 15, noon.

RICHARDS AND WALLINGTON INDUSTRIES (plant hirer)—Results for 1979 and prospects published April 15. Current assets £18.98m (£16.37m), current liabilities £14.45m (£13.8m). Increase in working capital £2.71m (£1.04m decrease). Meeting, Midland Hotel, Birmingham, May 29, at noon.

CARRON COMPANY (HOLDINGS) (metal, plastic, ceramic and general engineering products)—Results for 1979 reported in full preliminary report on April 3. Fixed assets £9.94m (£6.17m); net current assets £6.39m (£5.98m); unrealised revaluation surplus £4.53m (£1.71m). Increase in working capital £414,774 (£2.61m). Profit before tax on CCA basis £617,000 (£457,000). Chairman says first three months of current year have not been without problems caused in part by steelworkers' strike, but company has operated at a reasonable profit throughout this period. Meeting, Falkirk, May 15, noon.

INVERGORDON DISTILLERS (HOLDINGS)—Results for 1979 reported March 18, 1980, in full preliminary report. Current assets £22.82m (£19.58m), net current assets £12.1m (£10.03m). Decrease in net borrowings £626,000 (increase £3.1m). Pre-tax profits on CCA basis £2.92m (£1.84m). Meeting, Glasgow, May 22, 12.30 pm.

ENGLISH AND SCOTTISH INVESTORS—Results for year ended January 31, 1980, reported February 27. Listed investments, at market value, in GB £15.79m (£17.05m), abroad £11.37m (£8.1m); unlisted, at directors' valuation £0.52m (£0.3m). Net current liabilities £0.29m (£2.26m assets). Liquidity decreased by £2.53m (£0.8m increase). Meeting, St. Mary Axe, EC, May 14, 2.30 pm.

BESTOBELL (controls, energy, aviation, and consumer products)—Results for 1979 already known. Group fixed assets £12.6m (£12.73m). Net current assets £21m (£19.6m). Working capital increased by £3.8m (£1.25m). Net short-term borrowings rose by £1.37m (£2.69m). Chairman says group should do well in 1980, free of interference. Directors planning progressive growth in dividend consistent with earnings and requirements of business. Meeting, Great Eastern Hotel, EC, May 8, noon.

MACFARLANE GROUP (packaging and printing)—Results for 1979, and prospects, reported April 1. Group fixed assets £3.78m (£2.61m). Current assets £6.14m (£5.29m). Current liabilities £4.09m (£3.46m). Bank balances and short-term deposits increased by £78,868 (£259,278). Ex-gratia payment of £10,800 made to former director during year. Meeting, Glasgow, May 20, noon.

QUEENS MOAT HOUSES (hotelier, restaurateur, caterer)—Results for 1979, and prospects, reported March 25. Group fixed assets £14.7m (£12.82m). Net assets £13.34m (£12.12m). Net inflow of cash £0.29m (£1.36m). Professional property revaluation at year-end gave rise to £1.02m surplus which has been transferred to capital reserve. On April 21, Mr. V. W. A. Gray held 16.4 per cent of capital. Meeting, Bedford, May 15, noon.

LONDON BRICK—Results for 1979 reported April 5. Historic pre-tax profit of £12.74m (£14.1m) reduced to £7.89m (£11.34m) on CCA basis. Group fixed assets £41.29m (£38.81m). Current assets £52.12m (£39.74m) including cash on deposit £11.69m (£5.07m). Current liabilities £29.5m (£25.14m). Working capital increased by £11.96m (£1.76m). Meeting, Connaught Rooms, WC, May 21, noon.

SPIRAX-SARCO ENGINEERING (fluid control equipment specialist)—Results for 1979, and prospects, reported March 26. Historic pre-tax profit of £6.6m (£5.9m) reduced to £4.8m (£4.3m) on CCA basis. Group fixed assets £11.03m (£10.25m). Net current assets £12.44m (£12.34m). Net borrowings fell by £0.5m (£1.53m increase). Chairman's emoluments £64,468 (£45,548) excluding pension contributions. Meeting, Cheltenham, May 19 at 12.45 pm—rescheduled from May 14 following delayed publication of report because of printing dispute.

WILLIAM JACKS AND CO. (ultimate holding company is William Jacks and Co. (Malaya) Bhd.)—Results for 1979 reported February 29. Group fixed assets £1.41m (£0.81m). Net current assets £1.61m (£1.74m). Chairman says motor group is actively meeting challenges of market, and Zambia is expected to continue significant contribution to results. Meeting, Bagshot, May 16, 11.30 am.

MUNICIPAL PROPERTIES—Results for 1979 already known. Freehold properties £1.72m (£1.47m). Net current assets £317,387 (£302,196). Cash at year-end £490,417). Directors intend to continue to sell company's residential property. Meeting, Tonbridge, May 15, 11.30 am.

RECKITT AND COLMAN (chemicals and food group)—Results for 1979 and prospects reported in full preliminary statement on March 26. Fixed assets £148.33m (£128.24m), net current assets £96.98m (£97.34m) increase in working capital £11.71m (£13.31m), increase in net borrowing £26.07m (£6m). CCA profits £33m (£47m) against historic £51m (£61m). Meeting, Connaught Rooms, Great Queen Street, WC, May 22 at 11 am.

S. JEROME AND SONS (HOLDINGS) (worsted spinner, clothes manufacturer)—Results for 1979 already known. Group fixed assets £2.08m (£2.07m). Net current assets £1.61m (£1.81m). Meeting, Bramhope, May 22, 12.30 pm.

SLOUGH ESTATES—Results for 1979 and prospects reported March 27. Group fixed assets £373m (£207m). Current assets £12.32m (£11.08m). Current liabilities £17.33m (£17.75m). Net bank borrowings down £7.37m (£8.92m up). Meeting, Savoy Hotel, May 21, at 2.30 pm.

SUPRA (manufacturer of motor-car components, noise control products and paints)—Results for year to November 30, 1979, and prospects, reported April 11. Group fixed assets £3.94m (£3.05m). Net current assets £5.63m (£4.37m). Bank overdraft increased by £631,686 (£27,256). Meeting, Warwick, May 21, noon.

WILLIAM MORRISON SUPERMARKETS—Results for year to February 2, 1980, reported on April 5 in full preliminary report. Current assets £18.61m (£13.62m); net assets £19.03m (£14.03m). Decrease in working capital £1.06m (£678,000 increase). Chairman says sales in first two months of current year are 24 per cent ahead, but benefits of this increase are being offset by numerous cost increases in all areas. Wage settlement for majority of staff has been brought forward from November to April, with the inevitable effect that operating costs will be disproportionately high in the first half. Meeting, Bradford, May 22, 11 am.

MONSANTO (subsidiary of Monsanto Company of U.S.)—Turnover for 1979 £255.98m (£211.74m). Loss £4.2m (£2.61m profit) before tax credit £0.25m (£0.2m). Extraordinary debit £16.72m (nil) included £13.7m estimated costs of withdrawal from nylon operations. Attributable loss £20.66m (£2.87m profit). Total net assets £227.89m (£226.02m). Net current assets £41.8m (£33.12m). Bank loans and overdrafts £8.17m (£18.63m). Short-term deposits and cash £1.13m (£0.76m). Chairman says UK economic problems had adverse impact on results, as did higher costs.

C.G.C. INVESTMENT TRUST—Results for 1979 already known. Investments £2.18m (£2.12m) including £1.83m (£1.8m) UK quoted and £0.28m (£0.22m) overseas quoted. Valuation of investments £2.36m (£2.2m). Meeting, 44, Bloomsbury Square, WC, May 20, at 2.30 pm.

THOMAS ROBINSON AND SON (engineer and machine maker)—Results for 1979 already known. Current assets £5.7m (£5.88m); net current assets £3.23m (£3.05m); increase in working capital £412,000 (£406,000). Chairman says current order book is satisfactory and with good signs of a more buoyant economy in South Africa and possibilities of business in Zimbabwe, prospects for the current year are encouraging. Meeting, Railway Works, Rochdale, May 14, noon.

SENIOR ENGINEERING GROUP—Results for 1979, and prospects, reported April 18. Historic pre-tax profit of £5.07m reduced to £2.92m on CCA basis. Professional property revaluation at year-end resulted in £1.84m surplus which has been added to reserves. Group fixed assets £14.44m (£11.12m). Net current assets £17.69m (£14.22m). Net liquid funds fell by £79,000 (£700,000 rise). Meeting, Connaught Rooms, WC, May 22, noon.

ROCKWARE GROUP (glass, plastics and engineering)—Results for 1979 reported April 1 with prospects. Group fixed assets £64.25m (£42.06m), net current assets £17.84m (£13.61m). Borrowings at year-end £21.5m (£9.76m). Meeting, Winchester House, EC, May 21, at 3 pm.

WILLIS FABER (insurance broker)—Results for 1979, and prospects, already known. Group fixed assets £28.19m (£27.92m). Net current assets £5.14m (£3.05m). Cash and short-term funds £42.26m (£65.64m). Bank loans and overdrafts £10.71m (£17m). Meeting, 10, Trinity Square, EC, June 3, noon.

ROTORK (valve control equipment, marine craft and machine tools)—Results for 1979 reported March 27, with comments on prospects. Historical profit of £3.19m (£3.3m) becomes £2.65m (£2.83m) on current costs basis, and earnings of 8 to (9.7p) are reduced to 5.3p (7.1p). Group capital employed £10.37m (£8.74m)—net current assets £7.19m (£7m), fixed assets £3.18m (£1.74m). Meeting, Bath, May 21, at 3 pm.

ENGLISH NATIONAL INVESTMENT—Results for year to March 31, 1980. Gross income £253,228 (£225,093); interest and expenses £59,926 (£57,506) tax £62,851 (£55,890). Stated earnings per 25p preferred shares 2.28p (2.1p) deferred 4.24p (3.51p). Deferred final dividend 2.43p, making 4.02p (3.18p); preferred final dividend 1.22p, making 2.23p (2.02p).

BLACKWOOD HODGE (earth moving equipment, sales and service group)—Results for 1979 reported April 10 in full preliminary report. Fixed assets £45.25m (£42.47m); net current assets £47.48m (£43.77m). Historic pre-tax profit of £10.88m (£16.43m) reduced to £6.18m on CCA basis. Auditors have again qualified accounts in respect of deferred tax. Chairman says main short-term objective is to improve market penetration and profitability in the territories in which company operates. Meeting, Dorchester Hotel, W, May 29, 12.30 pm.

STEWART WRIGHTSON HOLDINGS (insurance, shipbroking)—Results for 1979 reported April 12 in preliminary statement with prospects. Group fixed assets £18.89m (£18.37m). Net current assets £9.23m (£7.74m). Historical pre-tax profit £10.38m reduced to £7.74m on CCA basis—CCA fixed assets £23.47m and net current assets £7.92m. Net liquid funds decreased by £2.4m (£2.04m increase). Meeting, Baltic Exchange, EC, June 6, noon.

DINKIE HEEL COMPANY (safety toecap manufacturer)—Results for 1979 already known. Historic pre-tax profit of £238,260 (£291,548) reduced to £202,000 (£261,000) on CCA basis. Group fixed assets £797,157 (£721,685); net current assets £177,734 (£89,357). Meeting, Bristol, May 22, noon.

ENGLISH AND SCOTTISH INVESTORS—Results for year ended January 31, 1980, reported February 27. Valuation of investments £27.68m (£25.45m). Net current liabilities £292,522 (£2.26m assets). Cash and deposits decreased by £1.08m (£807,000 increase). Meeting, 2, St. Mary Axe, EC, May 14, 2.30 pm.

JAMES FISHER AND SONS (shipowner, ship and insurance broker)—Results for 1979 reported March 18. Group fixed assets £13.25m (£12.29m). Current assets £6.17m (£3.88m) including cash at bank and in hand £1.88m (£0.4m). Current liabilities £3.26m (£2.74m). Net liquid resources rose by £1.48m (£0.16m fall). Meeting, Barrow-in-Furness, May 19, noon.

WESTERN MOTOR HOLDINGS (motor trader)—Results for 1979, and prospects, reported March 28. Historic pre-tax loss of £366,112 (£240,276 profit) shown as £503,591 loss (£118,892 profit) on CCA basis. Group fixed assets £8.98m (£8.08m). Net current liabilities £762,718 (£410,366 assets), of which bank overdrafts £3.5m (£1.94m). Working capital fell by £979,138 (£457,200 rise). Meeting, Plymouth, May 22, 12.30 pm.

CLAYTON SON AND CO. (HOLDINGS) (engineering)—Results for 1979 reported April 19. Net current assets £3.12m (£3.2m). Net cash inflow £655,374 (£1.11m outflow). Meeting, Leeds, May 22, 2 pm.

WOLF ELECTRIC TOOLS (HOLDINGS)—Results for 1979 reported March 28. Fixed assets £2.69m (£2.56m); net current assets £8.81m (£8.1m); increase in working capital £1.56m (£1.32m) including increase in bank balances and short-term deposits £1.02m (£302,007 decrease). Historical pre-tax profits £2.87m (£2.97m) reduced to £1.63m (£2.33m) on CCA basis. Overseas sales in the first quarter are well ahead and this expansion should be maintained although at some further cost to profit margins. A further decrease in pre-tax profits for the year may be unavoidable. Meeting, Hanger Lane, W, May 20, noon.

GENERAL INVESTORS AND TRUSTEES—Results for year ended January 31, 1980, reported April 11, 1980. Investments totalled £29.37m (£26.48m). Net current assets £702,489 (£666,451). Liquidity increased by £87,278 (£317,871 decrease). Meeting, 1, Laurence Pountney Hill, EC, May 22, at noon.

MINING NEWS

Rio Algom has good quarter

BY KENNETH MARSTON, MINING EDITOR

LIKE OTHER majors in the mining business, the Rio Tinto-Zinc group's Canadian arm, Rio Algom, has had a good first quarter against the background of relatively high metal prices—notably for the Lornex copper and molybdenum mine in British Columbia—but now faces the dampening effect on metal prices and earnings of the U.S. recession.

First-quarter 1980 earnings amount to C$28.2m (£10.7m) and follow a total for 1979 of C$75.8m which was surprisingly good in view of the fact that the group had to contend with a loss of the contract with Tennessee Valley Authority to supply 17m lbs of uranium oxide between 1979 and 1990.

In the face of a declining market for uranium, Rio Algom signed new uranium contracts last year for 2.8m lbs, of which 1.4m lbs have been so far delivered, and found other buyers for a further 1m lbs. In the near future the company hopes to sign a contract for the delivery of about 4.2m lbs, over 10 years starting in 1981, according to the president, Mr. George R. Albino. Meanwhile, negotiations are taking place with other potential customers.

Rio Algom has completed its C$130m second phase expansion of the Elliot Lake uranium operations in Ontario ahead of schedule, raising ore milling capacity to 16,300 tons a day from 4,300 tons in 1975 when the expansion was launched.

The company is declaring an unchanged half-yearly dividend of 75 cents (28.4p); the 1979 total was C$1.50. It is also announced that in addition to his present duties as president and chief operating officer, Mr. Albino will take over the role of chairman and chief executive upon the retirement of Mr. Robert D. Armstrong in April next year.

HUDBAY PLANS NEW MINE IN MANITOBA

Hudson Bay Mining and Smelting, the Canadian arm of the Anglo American Corporation plans soon to start work on the development of a third new base-metal mine in Manitoba, reports John Soganich from Toronto.

This follows the signing of a memorandum of intent with Granges Exploration, which provides for Hudbay to earn a 44 per cent interest in the Trout Lake orebody by spending C$28m (£10.4m) on mine development.

Ore from Trout Lake would be treated at Hudbay's Flin Flon concentrator and the new development would thus become one of a series of satellite mines. Proven reserves are 3m tons, grading 3 per cent copper and 4.5 per cent zinc.

Granges Exploration is representing members of the Scandinavian Minerals Syndicate, Outukumpu of Finland and Manitoba Mineral Resources, a Crown agency.

Hudbay meanwhile announced first quarter net profits of C$20.6m (£7.7m) compared with C$2.7m in the first three months of 1979. There was an additional profit of C$21m, of which C$19.5m came from the sale of shares in Rosario Resources, with whom Hudbay briefly dallied before it was absorbed by Amax, the U.S. group.

WMC: shaft at Olympic Dam site

Western Mining Corporation's exploration programme at the Olympic Dam copper-uranium deposit is intensifying with the decision to sink a shaft, initially to 500 metres.

The shaft will "give access to the mineralisation for further detailed exploration and for obtaining large samples for metallurgical testing," WMC said yesterday in their latest quarterly report.

Olympic Dam at Roxby Downs in South Australia is already accepted as the most significant mineral discovery in Australia since the discovery of Northern Territory uranium. The latest drilling results do nothing to contest this assessment and are in line with values previously announced.

At 14 intersections in four holes, RD19, RD24, RD28 and RD29, copper graded between a low of 0.57 per cent and a high of 3.04 per cent, while uranium graded between a low of 0.16 kg and a high of 1.0 kg a tonne of ore.

WMC, as operator for the Roxby Downs joint venture with British Petroleum, has in the latest quarter been carrying out a programme of 800 metres grid drilling. It has 10 diamond drills working at the site, instead of eight at the end of last year.

All the diamond drills have recently been occupied at Olympic Dam so there has been no further drilling 25 km away at Stuart Shelf, where there is possibly another deposit, perhaps an extension of Olympic Dam.

Meanwhile, at Benambra in Victoria, site of another WMC-BP joint venture, the latest drill hole reported has intersected mineralisation of 1.1 per cent copper, 0.9 per cent lead, 5.3 per cent zinc and 37.3 grammes silver per tonne.

REPORTS TO MEETINGS

Beatson Clark sees first half fall

FIRST half results at Beatson Clark and Co. seemed likely to be lower than those of last year, Mr. A. W. Clark, chairman, told members at the annual meeting.

He said that during the first four months of the current year this glass container maker had been operating at a lower level of activity, and had continued to experience price increases.

Some improvement, however, would arise in profitability from the 7½ per cent price increase from the beginning of April, he added.

The following are extracts from other annual meetings held yesterday:

The chairman of Woodhouse and Rixson (Holdings) said the company has come through the steel strike in far better shape that directors could have hoped for in January. Results for the first four months of the year were much more satisfactory, the level of activity being higher than in the recent past, he added.

If the current level of trading was maintained future dividends should show an improvement, he said.

Trading for the early part of the current year at Thurgar Bardex showed a small improvement over last year, the chairman stated, and although trading conditions continued to be difficult, it had been able to open several new and important accounts.

At Ransome Sims and Jefferies, the chairman said that the company had not suffered unduly from the steel strike and he confirmed his confidence, expressed in his annual report with accounts, that a worthwhile improvement in profits could be achieved this year.

P. L. Johnson has resigned from the board; P. Dorling has been appointed assistant managing director; G. Catchpole and M. E. McCoy are to be appointed to the board.

U.S. companies take steps to produce fuel from coal

FURTHER DEVELOPMENTS in the growing trend towards examining the possibilities of utilising part of the world's vast untapped reserves of coal to produce alternative fuels to oil are reported from Salt Lake City.

A feasibility study of producing synthetic fuel from coal in Emery County, Utah, has been announced by Mountain Fuel Resources in conjunction with Pacific Gas and Electric, Mono Power (a subsidiary of Southern California Edison) and Conoco Coal Development.

The study programme is scheduled for completion by November next year and the four companies have submitted a proposal to the U.S. Department of Energy for partial funding of the study. It will consider the provision of facilities to produce about 125bn btus per day of substitute natural gas and methanol.

These would supplement conventional supplies of oil and natural gas. Consideration would be given eventually to expanding capacity to 250bn btus per day. The larger plant would require about 7m tonnes of coal a year from the mines in Utah, it is reported.

Meanwhile it is reported from Lexington, Kentucky, that the Diamond Shamrock oil group has formed a partnership with Washington Energy Corporation of Seattle for the development of more than 250m tons of recoverable coal reserves in Montana. Diamond Shamrock will have a two-thirds interest in the partnership which is to be known as Montco.

An application is to be filed for a mining permit later this year and it is hoped to open a mine in late-1984. In addition to the 250m tons of privately-owned coal under its lease, Montco will have surface control over an estimated 200-300 tons of Federal coal reserves in the area which are presently unleased.

Wire & Plastic earns and pays more

As expected, Wire and Plastic Products has increased its profit for 1979, the pre-tax surplus showing a rise from £374,407 to £423,475.

Earnings were up from 5.34p to 6.62p, and the dividend is raised from the equivalent of 1.68p to 1.85p, with a final of 1.12p.

Turnover was £2.31m (£1.94m). Tax htook £192, 031 (£18,819) and £166,823 (£134,706) is retained.

BIDS AND DEALS

'UK company' could rival Waring bid for Maple

BY ARNOLD KRANSDORFF

A RIVAL bid could be on the (Holdings), the retail furnisher which has rejected a near-£10m offer from its High Street competitor Waring and Gillow (Holdings).

Maple said yesterday that it was providing information relating to its properties to a potential offeror.

The identity of the third party is being kept a secret, however. Morgan Grenfell, Maple's advisers, said that "a UK company has expressed an interest."

The Maple statement also said that under the terms of the Take-over Code the same information is being made available to Waring and Gillow.

Mr. John Cussins, Waring and Gillow's managing director, said that up to last night he had not received any additional information.

In the market yesterday Maple shares were unchanged at 35p—equal to the offer from Waring and Gillow.

M CORQUODALE U.S. PURCHASE

ON APRIL 30, McCorquodale and Co., acquired the whole of the capital of La Clede Manufacturing Company, Incorporated.

La Clede, which has its principal operation based in Buffalo, New York, is engaged in colour card printing in North America. Its pro forma net tangible assets, at September 30, 1979, amounted to U.S.$709,354 (£312,000).

The consideration for the acquisition is some £326,000, satisfied by the issue of 316,658 ordinary shares on completion. The new ordinary shares, which will rank pari passu with the existing ordinary shares as to voting and dividend rights, have been admitted to the Official List.

McCorquodale has also undertaken to issue fully paid ordinary shares to the vendors in the value of U.S.$100,000 subject to the net tangible assets of La Clede having increased by U.S.$280,000 at April 30, 1982.

SEDGWICK GROUP

FOLLOWING THE agreed in principle of Sedgwick, a wholly-owned subsidiary of Sedgwick Group, to acquire the holding companies of Bankart Midlands and Bankart Northern operating in Leicester and Manchester respectively, G. and J. E. Bankart, an insurance broker based in Nottingham, has said that it is an entirely independent company. G. and J. E. Bankart has been independent since 1970 and is in no way affected by the Sedgwick acquisitions.

UNIGATE/CLIFFORD

Unigate has warned ordinary and "A" non-voting ordinary shareholders of Clifford's Dairies, resisting its £10m bid *approach*, that if they are to have the opportunity of accepting the offer it is essential that a resolution to increase the authorised share capital of new "A" non-voting ordinary shares to implement a recent rights issue is rejected at an EGM on May 8.

Through its advisers, J. Henry Schroder Wagg, Unigate said last night that shareholders of *Clifford's* Dairies should await receipt of the letter from their chairman "and to study carefully his reasons for rejecting Unigate's offers before returning any for of proxy."

Grand Met. court actions

Grand Metropolitan, which *is* making a $415m takeover bid for the U.S. tobacco and drinks group, Liggett, has filed a second legal action, in North Carolina, aimed at preventing Liggett from selling some of its liquor subsidiaries.

Also, the managing director of Grand Met's drinks subsidiary, International Distillers and Vintners, has sent a letter to the president of Paddington Corporation, the Liggett subsidiary that distributes IDV's J and B Scotch in the U.S., asking that confidential information on volumes and *profitability* of J and B not *be* divulged to prospective purchasers of Paddington.

In other legal developments, the Supreme Court of Delaware has reversed an injunction against the Grand Met tender offer getting under way and the North Carolina Court of Appeals has suspended a similar injunc*tion* in that *State*.

Late on Wednesday, Mr. Stanley Grinstead, managing director of Grand Met sent a letter to Liggett president, Mr. Raymond Mulligan, threatening to end Liggett's U.S. distribution rights for Grand *Met* wines and spirits.

Staveley in £4.9m French deal

IN a £4.9m deal aimed at providing further funds for investment, Staveley Industries has agreed to sell the assets associated with the manufacture of steel abrasives by its Bradley and Foster subsidiary to a French company.

Wheelabrator-Allevard SA is buying land and buildings at Bilston in Staffordshire and the related plant, machinery and stocks. On completion, expected by end-July, the UK group will receive £3.75m, with the rest spread over the next three years.

In the year to March 31, 1979, sales of the steel abrasives division accounted for 23 per cent of the turnover of Bradley and Foster of £23.9m.

The other divisions within Staveley's foundry products and abrasives group will not be affected by the planned disposal.

BURNS PHILP OFFER UNCONDITIONAL

Burns Philp said the offer for the ordinary shares of S. Hoffnung has now become wholly unconditional. The offer for the preference shares has also become wholly unconditional and will remain open for acceptance until further notice.

The board of Hoffnung will be writing to shareholders to express its recommendation that they should not remain as minority shareholders in Hoffnung but should complete and return the appropriate forms of acceptance and transfer.

The directors of Hoffnung will be accepting the Burns Philp offers in respect of their own beneficial holdings.

GLAMORGAN PROPS.

Glamorganshire Property Company's offer for Cardiff and Provincial Properties has closed. Acceptances have been received in respect of 112,800 shares (23.87 per cent). Glamorgan and persons acting in concert, now own *345,756* shares (*73.18* per cent).

Drilling Tools chief says wait

Shareholders in Drilling Tools North Sea have been urged by their chairman, Mr. Charles Noble, to take no action on the increased offer from Hambros Bank.

It lifted the offer for the small oil and gas industry service group from £6.10 a share to £7 cash a share this week, having had its first bid topped by the £6.50 in cash tabled by ICFC, the industrial investment group.

ICFC made its offer through *a subsidiary called* Plumcloud, and this was recommended by the Drilling Tools board. Mr. Noble, also a director of stockbrokers Hedderwick Stirling Grumbar, noted that Hambros, which owns 35 per cent of the company together with the National Coal Board pension fund, had withdrawn the share alternative *in* its earlier offer, which had not been accepted by any shareholders.

He said Drilling Tools directors were consulting their advisers, Barclays Merchant Bank, about the new offer. Shareholders would then receive a further letter advising them on what action to take.

Plumcloud has already bought 12.38 per cent of Drilling Tools and has irrevocable acceptances *for its bid from 20.82 per cent of* the shareholders.

Lilley moves into America

The F. J. C. Lilley group has established itself in Continental America with the acquisition of 80 per cent of the capital of Harrison Western Corporation, of Denver, Colorado. "This represents a radical and major step" in the group's development.

In October last Lilley said it was negotiating for the acquisition, but announced *in* mid-December that talks had been terminated. The directors were unavailable for comment on the situation yesterday as they are still in America.

Harrison Western is a construction company operating principally in the mid-west of the U.S., but also elsewhere in the continent, and specialises in shaft sinking, mine development for mineral extraction, tunnelling, and energy related civil engineering works.

Its average pre-tax profits for the three years to December 31, 1979, were $1.05m (£477,000), and its net assets at end 1979 amounted to $3.15m (1.43m). On that assets basis, the consideration for Lilley's interest amounts to $3.9m (£1.77m), but provision has been made for the adjustment of the price with a maximum of $4.52m (£2.05m), dependent on the receipt by Harrison Western of certain amounts whose recovery is under negotiation.

An initial payment of $1.6m was made on completion, and the balance will be paid, without interest, in equal instalments on April 30, 1981, 1982, and 1983.

The remaining 20 per cent of Harrison Western has been purchased on similar terms by Mr. Allan G. Provost (chief executive of Harrison Western), who has entered into a management contract with the corporation.

COPE ALLMAN

FOR £2.25m, Cope Allman International has bought East Anglia Enterprises and Bell-Fruit (East Anglia), both of which hire out amusement machines.

The purchase price is being met by three instalments of *£500,000, to be paid between now* and December 1, 1980, and a final payment of £750,000 on April 1, 1981.

The two companies being acquired had pre-tax profits of £205,000 for the year to June 30, 1979. Their combined assets at that date were £781,000 but these have since been estimated to have *increased* by *some £1m*; of which not less than £500,000 is available in cash. Management accounts indicate current profitability to be running at around £30,000 a month.

TATE & LYLE DISPOSAL

Tate and Lyle has agreed to sell to Rumenco the specialist animal feeds business of Tate and Lyle Feeds for approximately £375,000 cash. This covers freehold land and buildings, manufacturing plant and stocks.

RYLAND/DYSON

The offers made by Hill Samuel and Co. on behalf of Ryland Vehicle Group for all the issued "A" ordinary and "B" ordinary shares of R. A. Dyson and Co. which Ryland did not already own, closed on Friday, April 25.

Ryland now *owns*, or has received acceptances for, 70.9 per cent of the "A" ordinary shares of Dyson in issue, and 62.2 per cent of the "B" ordinary shares in issue.

C. H. BEAZER (HLDGS.) BUYS F. PRATTEN

C. H. Beazer (Holdings) is to acquire F. Pratten Holdings, manufacturer of timber buildings and greenhouses for *£410,916, comprising* £345,505 cash and 96,192 shares.

At December 31, 1979, the value of the assets being acquired was £565,324, while Pratten's pre-tax loss for the year amounted to £90,842.

CRAY ELECTRONICS

The offer by Throgmorton *Trust for Cray* Electronics has been accepted in respect of 7,872 ordinary shares representing 0.08 per cent of the shares in issue.

Throgmorton, through Capital for Industry, held 6,960,403 Cray ordinary before the commencement of the offer period and did not acquire, or agree to acquire any Cray shares during the course of the offer period.

The offer is now closed.

LONDON AND LIVERPOOL

London and Liverpool Trust has completed *the acquisition* of Regent Autocar Company.

David Wall in La Bayadère. Photograph: Anthony Crickmay.

Why it can be rewarding for a wealthy man to invest money in something that will show very little return.

Excellence in any field of endeavour is invariably the result of hard work and painstaking preparation.

Opera and the Ballet are no exceptions.

In fact they call for more dedication and a greater commitment of time and effort than any of the professions.

The performance that haunts you with the memory of its perfection long after it has ended is no accident.

It is the result of a lifetime's devotion to Art.

That is the artist's contribution.

But we have no right to expect such dedication from anyone unless we provide the most stimulating environment to perform in.

The only way to maintain enthusiasm is by constantly pushing forward. Each new production must be a little better than the one before it.

Ideas must be brilliant if performances are to sparkle.

This philosophy has established Covent Garden as a leading force in Opera and the Ballet throughout the world.

Yet the returns for such efforts are pitifully small.

Which brings us to a second kind of contribution to the Arts. One without which the artist would not be able to play his part.

We need the financial backing it takes to excel if we are to preserve the very high standards we have set for ourselves.

And so we are inviting you to join a small group of companies and individuals who have demonstrated their concern for the Arts in becoming Corporate Members of the Royal Opera House Trust.

Corporate Membership costs one thousand pounds per annum.

Obviously, as a Corporate Member you would enjoy many privileges:

Priority bookings, advance reservations for the Royal Opera House Restaurant, invitations to major rehearsals, and an involvement in back-stage workings of the House.

Just imagine the sense of achievement as you sit through the first night of a new production that your money has helped to stage.

But this is not the spirit in which we invite you to become a Corporate Member.

It is the opportunity to be involved in the furtherance of the Arts in Covent Garden that we believe you will find most rewarding.

Throughout history people in privileged positions have financed the Arts so that the genius of their time could be appreciated by successive generations.

The development of the Arts during the Italian Renaissance can be attributed directly to the patronage of the aristocracy.

Today it is principally the support of wealthy individuals and corporations that keeps Art alive. Milan has thrived as a centre of Art whilst Rome has declined.

Art in America enjoys the support of large commercial enterprises.

As a Corporate Member of the Royal Opera House Trust, you would be involved in maintaining the highest international standards in Opera and the Ballet at Covent Garden.

By its very nature Corporate Membership is open only to the few. And so your decision whether or not to join us will make a big difference.

Please write today to Mrs Rupert Hambro, Organising Secretary, The Royal Opera House Trust, Royal Opera House, Covent Garden, London WC2E 7QA.

She'll see you get all the information you need to help you make up your mind.

The Royal Opera House Trust.

FOOD PRICE MOVEMENTS

	May 1	Week ago	Month ago
	£	£	£
BACON			
Danish A.1 per ton	1,230	1,230	1,230
British A.1 per ton	1,200	1,180	1,180
Ulster A.1 per ton	1,200	1,180	1,180
BUTTER†			
NZ per 10 kg	15.50/15.63	15.50/15.63	14.80/14.97
English per 10 kg	18.97	—	—
Danish salted per 10 kg	19.43	19.43	19.18
CHEESE‡			
English cheddar	1,545	1,545	—
Irish cheddar	—	—	—
Danish cheddar	1,480	1,485	1,460
EGGS*			
Home produced:			
Size 4	4.30/4.45	4.35/4.60	4.55/4.65
Size 2	5.00/5.10	5.10/5.40	5.15/5.30
	May 1	Week ago	Month ago
	p	p	p
BEEF			
Scottish killed sides ex-KKCF	69.0/73.0	69.0/74.0	65.0/69.0
Eire forequarters	48.0/51.0	48.0/51.0	48.0/50.0
LAMB			
English	—	—	64.0/74.0
NZ PLs/PMs	60.0/62.0	60.0/62.0	53.0/54.5
PORK			
All weights	38.0/49.0	37.0/50.0	37.0/49.0
POULTRY			
Oven-ready chickens	40.0/48.0	39.0/48.0	39.5/48.0

* London Egg Exchange price per 120 eggs. † Delivered. ‡ 20-kg rindless blocks delivered, per tonne.

BANK RETURN

	Wednesday April 30 1980	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	27,848,563	— 830,071
Special Deposits	215,578,000	—
Bankers Deposits	542,658,580	+ 208,184,769
Reserve & other Accounts	658,408,539	— 29,216,296
	1,458,751,292	+ 178,138,403
ASSETS		
Government Securities	599,926,810	— 130,015,000
Advances & Other Accounts	654,929,847	+ 284,758,706
Premises Equipment & Other Secs.	194,586,562	+ 27,881,227
Notes	9,025,184	— 14,539,285
Coin	981,859	+ 42,756
	1,458,751,269	+ 178,138,403
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	9,950,000,000	— 75,000,000
In Circulation	9,940,975,815	— 60,460,715
In Banking Department	9,026,184	— 14,538,285
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	7,150,816,226	— 170,286,165
Other Securities	2,788,168,674	+ 95,286,165
	9,950,000,000	— 75,000,000

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wednesday, April 30, 1980. The Exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan	Afghani (O)	44.00
Albania	Lek	4.4815
Algeria	Dinar	3.8325
Andorra	French Franc	4.1927
	Spanish Peseta	70.86
Angola	Kwanza	27.697
Antigua	E. Caribbean $	2.7025
Argentina	Argentine. Peso	1779.00
Australia	Australian $	0.2124
Austria	Schilling	18.845
Azores	Portug. Escudo	49.375
Bahamas	Bahamian $	1.00
Bahrain	Dinar	0.3778
Balearic Isles	Spanish Peseta	76.95
Bangladesh	Taka	15.3286
Barbados	Barbados $	2.01
Belgium	B. Franc (C)	29.036
	B. Franc (F)	29.675
Belize	Belize $	8.00
Benin	C.F.A. Franc	909.585
Bermuda	Bda $	1.00
Bhutan	Indian Rupee	7.2355
Bolivia	Bolivian Peso	95.00
Botswana	Pula	0.8015
Brazil	Cruzeiro	48.25
Brit. Virgin Isles	U.S. $	1.00
Brunei	Brunei $	2.221
Bulgaria	Lev	6.878
Burma	Kyat	6.7271
Burundi	Burundi Franc	90.00
Cameroun Republic	C.F.A. Franc	209.985
Canada	Canadian $	1.1957
Canary Islands	Spanish Peseta	70.96
Cape Verde Isle	Cape V. Escudo	35.51
Cayman Islands	Cay. Is. $	0.836
Cent. Af. Emp.	C.F.A. Franc	209.985
Chad	C.F.A. Franc	809.985
Chile	Chilean Peso (O)	39.00
China	Renminbi Yuan	1.5474
Colombia	Col. Peso (O)	45.25
Comoros Islands	C.F.A. Franc	209.985
Congo (Brazaville)	C.F.A. Franc	209.985
Costa Rica	Colon	8.57
Cuba	Cuban Peso	0.7235
Cyprus	Cyprus Pound	6.371
Czechoslovakia	Koruna (D)	5.25
Dem.Rep.S'oTome & Principe	S. Tomo Dobre	34.8358
Denmark	Danish Krone	6.6375
Djibouti Rp. of	Djibouti Franc	168.618
Dominica	E. Caribbean $	2.7025
Dominican Repub.	Domin'can Peso	1.00
Ecuador	Sucre	28.10
Egypt	Pound (3)	0.68
El Salvador	Colon	9.66
Equatorial Guinea	Ekuele	70.95
Ethiopia	Birr (D)	2.0855
Faroe Islands	Danish Krone	5.5375
Falkland Islands	Falkland Is. £ *	2.2537
Fiji Islands	Fiji $	6.8487
Finland	Markka	3.7145
France	French Franc	4.1997
French C'tyIn Af.	C.F.A. Franc	209.985
French Guiana	Local Franc	4.1987
French Pacific Is	C.F.P. Franc	72.7529
Gabon	C.F.A. Franc	209.985
Gambia	Dalasi	1.7749
Germany (East)	Ostmark (O)	1.7985
Germany (West)	Deutschemark	1.7985
Ghana	Cedi	8.75
Gibraltar	Pound *	9.2537
Gilbert Is	Aust. $	0.2194
Greece	Drachme	01.76
Greenland	Danish Krone	5.6376
Grenada	E. Caribbean $	2.7025
Guadeloupe	Local Franc	4.1997
Guam	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau	Peso	33.9701
Guinea Republic	Syli	19.0682
Guyana	Guyanese $	2.5538
Haiti	Gourde	5.00
Honduras Repub	Lempira	2.00
Hong Kong	H.K. $	4.885
Hungary	Forint (O)	34.00
Iceland	I. Krona	489.70
India	Ind. Rupee	7.2365
Indonesia	Rupiah	696.00
Iran	Rial	71.50
Iraq	Iraq Dinar	0.2953
Irish Republic	Irish Punt *	2.0548
Israel	Israeli Pound (4)	42.55
Italy	Lira	847.00
Ivory Coast	C.F.A. Franc	209.985
Jamaica	Jamaican Dollar	1.7825
Japan	Yen	238.66
Jordan	Jordan Dinar	0.301
Kampuchea	Riel	n.a.
Kenya	Kenya Shilling	7.468
Korea (Nth)	Won	0.94
Korea (Sth)	Won	583.00
Kuwait	Kuwait Dinar	0.2712
Lao P'ple D. Rep	Kip of Lib.	400.00
Lebanon	Lebanese Pound	3.405
Lesotho	Loti	0.7995
Liberia	Liberian $	1.00
Libya	Libyan Dinar	0.8861
Liechtenstein	Swiss Franc	1.564
Luxembourg	Lux Franc	29.035
Macao	Pataca	5.306
Madagascar D. R.	MG Franc	209.985
Madeira	Portuguese Escudo	49.375
Malawi	Kwacha	0.8125
Malaysia	Ringgit	2.28
Maldive Islands	Mal Rupee	5.23
Mali Republic	Mali Franc	419.97
Malta	Maltese Pound	0.3512
Martinique	Local Franc	4.1997
Mauritania	Ouguiya	41.997
Mauritius	M. Rupee	7.7205
Mexico	Mexican Peso	22.81
Miquelon	French Franc	4.1897
Monaco	French Franc	4.1297
Mongolia	Tugrik (O)	3.3555
Montserrat	E. Caribbean $	2.7025
Morocco	Dirham	3.9762
Mozambique	Moz. Escudo	26.8681
Namibia	Rand	0.7895
Nauru Is.	Aust. $	0.9124
Nepal	Nepalese Rupee	12.00
Netherlands	Dutch Guilder	1.9875
Netherland Antilles	Antillian Guild	1.80
New Hebrides	Aust. $	0.9124
	FNN	67.8685
New Zealand	NZ $	1.0521
Nicaragua	Cordoba	16.00
Niger Republic	C.F.A. Franc	209.985
Nigeria	Naira (O)	6.5803
Norway	Norwg. Krone	0.9435
Oman, Sultanate of	Rial Omani	0.3456
Pakistan	Pkst. Rupee	9.91
Panama	Balboa	1.00
Papua N. Guinea	Kina	0.71
Paraguay	Guarani	137.30
Peoples D. Repub. of Yemen	S. Yemen Dinar	6.3416
Peru	Sol	270.24
Philippines	Ph. Peso	7.40
Pitcairn Islands	NZ.$	1.0521
Poland	Zloty (O)	31.00
Portugal	Port. Escudo	49.376
Port Timor	Timor Escudo	n.a.
Puerto Rico	U.S. $	1.00
Qatar	Qatar Ryal	5.678
Reunion Ile de la	French Franc	4.1997
Romania	Leu	4.47
Rwanda	Rwanda Franc	92.84
St. Christopher	E. Caribbean $	2.7086
St. Helena	Sterling *	2.2537
St. Lucia	E. Caribbean $	2.7026
St. Pierre	Fr Franc	4.1227
St. Vincent	E. Caribbean $	2.7026
Samoa American	U.S $	1.00
San Marino	Italian Lira	847.00
Saudi Arabia	Saudi Riyal	3.3285
Senegal	C. F. A. Franc	209.985
Seychelles	S. Rupee	6.9147
Sierra Leone	Leone	6.8874
Singapore	Singapore $	9.221
Solomon Islands	S.I. $	0.9184
Somali Republic	Som. Shilling	6.0341
South Africa	Rand	0.7895
Spain	Peseta	70.95
Spanish ports in North Africa	Sp. Peseta	70.96
Sri Lanka	S. L. Rupee	16.65
Sudan Republic	Pound (2)	0.50
Sudan Republic	Pound (1)	0.80
Surinam	S. Guilder	1.80
Swaziland	Lilangeni	0.7995
Sweden	S. Krona	4.2175
Switzerland	Swiss Franc	1.664
Syria	Syria Pound	3.9269
Taiwan	New Taiwan $ (O)	38.00
Tanzania	Tan. Shilling	8.2893
Thailand	Baht	20.50
Togo Republic	C.F.A. Franc	209.985
Tonga Islands	Pa'anga	6.9124
Trinidad & Tob.	Trin. & Tob. $	2.4053
Tunisia	Tunisian Dinar	0.4131
Turkey	Lira	74.73
Turks & Caicos	U.S. $	1.00
Tuvalu	Australian $	0.8124
Uganda	Ug. Shilling	7.468
United Arab Emir.	UAE Dirham	5.7917
United Kingdom	£ Sterling *	3.2537
Upper Volta	C.F.A. Franc	209.895
Uruguay	Urug. Peso (m)	9.70
U.S.S.R.	Rouble	0.6623
Vatican	Italian Lira	847.00
Venezuela	Bolivar	4.2937
Vietnam N.	Dong (O)	2.19
Virgin Islands U.S.	U.S. $	1.00
Western Samoa	Samoan Tala	0.2533
Yemen	Rial	4.57
Yugoslavia	New Y. Dinar	90.7205
Zaire Republic	Zaire Zaire	8.0185
Zambia	Kwacha	6.7908
Zimbabwe	Zim $	0.6935

n.a. Not available. * U.S. dollars per National Currency unit. (O) Official rate. (C) Commercial rate. (F) Financial rate.
(1) Sudan—Official rate for specified exports and imports. (2) Sudan—Official rate for all transactions except specified exports and imports.
(3) Egypt—A different rate applies to certain transactions with non-IMF countries.
(4) Israeli Government are changing their currency to Shekels. However dealers are currently quoting in pounds.

EUROPEAN OPTIONS EXCHANGE

Series		July Vol.	July Last	Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	Stock
ABN C	F.280	6	24	—	—	—	—	F.366
ABN C	F.300	10	9.80	14	11	—	—	
ABN C	F.316	13	4	—	—	—	—	
AKZ C	F.22.50	[illegible]	[illegible]	—	—	—	—	F.23.40
AKZ C	F.25	12	6.60	34	1.20	60	1.60	
AKZ P	F.25	2	2	—	—	—	—	
ARB C	F.55	15	2.70	—	—	—	—	F.53.50
ARB C	F.70	2	6.70	—	—	—	—	
EK C	$45	1	9	—	—	—	—	$58¾
EK C	$50	10	4½	—	—	—	—	
EK C	$60	20	1	—	—	—	—	
NEN P	F.60	—	—	3	3.30	—	—	F.61.50
HO C	F.17.50	6	8	—	—	—	—	F.17.90
IBM C	$50	1	5¼	—	—	—	—	$54⅛
IBM C	$60	—	—	—	—	—	—	
KLM C	F.60	85	3.50	18	7.50	—	—	F.63.50
KLM C	F.70	66	1.50	39	3.00	10	4.60	
KLM C	F.80	5	0.50	39	1.20	—	—	
KLM P	F.60	39	3.40	15	—	—	—	
KLM P	F.70	37	8.80	15	16	—	—	
NN C	F.115	16	4	—	—	—	—	F.116.50
NN C	F.196	15	9.40	10	5.50	—	—	
PHI C	F.15	—	—	7	4.10	—	—	F.16.70
PHI C	F.20	194	0.40	8	1	—	—	
PHI C	F.22.50	—	—	8	0.60	—	—	
PHI P	F.85	16	8	15	2.16	—	—	
PRD C	$35	4	1½	—	—	—	—	$29½
RD C	F.150	12	5.90	5	3	—	—	F.152.60
RD C	F.160	83	9.90	16	8.20	—	—	
RD C	F.170	195	1	16	4.60	—	—	
RD P	F.140	30	8	3	4	—	—	
RD P	F.145	5	4	—	—	—	—	
UNI C	F.115	20	9	9	4.90	—	—	F.114
		May		Aug.		Nov.		
BA C	$35	[illegible]	[illegible]	2	5	—	—	$36½
BA C	$40	[illegible]	[illegible]	5	3	—	—	

TOTAL VOLUME IN CONTRACTS 1217

C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	17 %
Allied Irish Bank	17 %
Amro Bank	17 %
American Express Bk.	17 %
Henry Ansbacher	17 %
A P Bank Ltd.	17 %
■ Arbuthnot Latham	17 %
Associates Cap. Corp.	17 %
Banco de Bilbao	17 %
Bank of Credit & Cmce.	17 %
Bank of Cyprus	17 %
Bank of N.S.W.	17 %
Banque Belge Ltd.	17 %
Banque du Rhone et de la Tamise S.A.	17½ %
Barclays Bank	17 %
Bremar Holdings Ltd.	18 %
Brit. Bank of Mid. East	17 %
■ Brown Shipley	17 %
Canada Perm't Trust	18 %
Cayzer Ltd.	17 %
Cedar Holdings	17 %
■ Charterhouse Japhet	17 %
Choulartons	17 %
C. E. Coates	17 %
Consolidated Credits	17 %
Co-operative Bank	*17 %
Corinthian Secs.	17 %
The Cyprus Popular Bk.	17 %
Duncan Lawrie	17 %
Eagil Trust	17 %
E. T. Trust Limited	17 %
First Nat. Fin. Corp.	19½ %
First Nat. Secs. Ltd.	19 %
Robert Fraser	17 %
■ Antony Gibbs	17 %
Greyhound Guaranty	17 %
Grindlays Bank	‡17 %
■ Guinness Mahon	17 %
Hambros Bank	17 %
■ Hill Samuel	§17 %
C. Hoare & Co.	†17 %
Hongkong & Shanghai	17 %
Industrial Bk. of Scot.	17½ %
Keyser Ullmann	17 %
Knowsley & Co. Ltd.	19 %
Langris Trust Ltd.	17 %
Lloyds Bank	17 %
Edward Manson & Co.	18 %
Midland Bank	17 %
■ Samuel Montagu	17 %
■ Morgan Grenfell	17 %
National Westminster	17 %
Norwich General Trust	17 %
P. S. Refson & Co.	17 %
Rossminster	17 %
Ryl. Bk. Canada (Ldn.)	17 %
Schlesinger Limited	17 %
E. S. Schwab	17 %
Security Trust Co. Ltd.	18 %
Standard Chartered	17 %
Trade Dev. Bank	17 %
Trustee Savings Bank	17 %
Twentieth Century Bk.	17 %
United Bank of Kuwait	17 %
Whiteaway Laidlaw	17½ %
Williams & Glyn's	17 %
Wintrust Secs. Ltd.	17 %
Yorkshire Bank	17 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%. 1-month 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 16%.

CURRENCIES, MONEY and GOLD

£ & $ firm

Sterling and the dollar were slightly firmer in very quiet foreign exchange trading yesterday, with most European centres closed for May Day. The pound's trade-weighted index, as calculated by the Bank of England, rose to 72.9 from 72.6, and stood at 72.8 at noon and in the morning. The dollar's index was unchanged at 86.8.

Sterling rose 17 points to finish at $2.2597-2.2607. It opened at $2.2620-2.2630, and fell to a low of $2.2555-2.2565 in the morning, before touching a peak of $2.2640-$2.2650 in the afternoon.

The dollar rose to DM1.8020 from DM1.8000 against the D-mark, and to Y240.25 from Y239.10 in terms of the Japanese yen. The Swiss franc was unchanged at SwFr 1.6675.

DUTCH GUILDER — Showing steady tendency recently, and near the top of European Monetary System—The guilder showed mixed changes at the Amsterdam fixing, improving against sterling but losing ground to the dollar. The U.S. currency was fixed at Fl 1.9915, compared with Fl 9895, and the pound at Fl 4.5080, against Fl 4.5430. Within the EMS, the D-mark rose to Fl 1.1058 from Fl 1.1055, while the French franc eased to Fl 47.41 per 100 francs from Fl 47.44.

DANISH KRONE—Remaining weak within EMS and suffering two devaluations in 1979—The krone declined against most of its EMS partners but improved slightly against the Irish punt at the Copenhagen fixing. Outside the EMS the dollar rose to DKr 5.6460 from DKr 5.6425, while sterling eased to DKr 12.7705 from DKr 12.7720.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year, with heavy central bank intervention earlier this year, which has now abated—The yen lost ground against the dollar in very quiet Tokyo trading. The U.S. currency rose to Y239.75 from Y238.35, after opening at Y237.70. The highest level touched was Y239.85.

GOLD

Gold declined in fairly quiet trading in the London bullion market yesterday. Early trading was nervous, with the metal declining in line with silver following news of U.S. loans to assist orderly sales of silver holdings by Mr. Nelson Bunker Hunt and his brother. Gold opened at $507-511, and was fixed at $507.75 in the morning. It fell to $490 at the afternoon fixing and closed at $495-500, a fall of $17 on the day.

European trading was very quiet because of the May Day holiday, with London the only major centre open.

	May 1		April 30	
Gold Bullion (fine ounce)				
Close	$495-500	(£219¾-221)	$512-517	(£227-229¼)
Opening	$507-511	(£224¼-226¼)	$515-520	(£287¼-228½)
Morning fixing	$507.75	(£224.271)	$519.25	(£229.169)
Afternoon fixing	$490	(£216.622)	$518	(£229.510)
Gold Coins				
Krugerrand	$509-514	(£225-228)	$531-536	(£236-238)
Mapleleaf	$501-511	(£221-926)	$520-530	(£231-234)
New Sovereigns	$126-128	(£55¾-57¼)	$131-135	(£58-59)
King Sovs.	$154-158	(£68-70)	$156-159	(£69-71)
Victoria Sovs.	$154-158	(£68-70)	$156-169	(£69-71)
French 20s	$119-195		$138-142	
50 pesos Mexico	$617-624		$640-648	
100 Cor. Austria	$490-497		$509-514	
$20 Eagles	$620-636		$645-650	
$10 Eagles	—		—	
$5 Eagles	—		—	

THE POUND SPOT AND FORWARD

May 1	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2555-2.2650	2.2597-2.2607	0.62-0.52c pm	3.03	1.52-1.42 pm	2.60
Canada	2.6800-2.6960	2.6885-2.6905	0.12-0.02c pm	0.31	0.80-0.70c pm	1.11
Nethlnd.	4.46-4.51	4.49¾-4.50¾	3½-2½c pm	8.00	7¼-6½ pm	9.22
Belgium	65.40-65.80	65.48-65.58	12-2c pm	1.28	25-15 pm	1.22
Denmark	12.70-12.78	12.73½-12.75½	2¼-4ore dis	—2.94	5-6¾ dis	—1.84
Ireland	1.1005-1.1050	1.1020-1.1030	0.12-0.08p pm	1.09	0.45-0.38 pm	1.5
W. Ger.	4.05-4.08½	4.06¾-4.07¾	3¼-2¼pf pm	8.10	7¾-6¾ pm	7.12
Portugal	110.80-112.00	111.30-111.80	5-45c dis	—2.69	25-120 dis	—2.60
Spain	159.40-161.00	160.40-160.90	30-75c dis	—5.92	45-105 dis	—1.87
Italy	1910-1920	1911¾-1914¾	2½-½lire pm	0.94	2½-½ pm	0.31
Norway	11.12-11.18	11.14-11.15½	3¾-3ore pm	4.17	11½-10 pm	3.86
France	9.46-9.52	9.49½-9.50½	4¼-3½c pm	4.89	9½-8¾ pm	3.74
Sweden	9.47-9.54	9.49-9.50½	3½-2½ore pm	3.79	7¾-6¾ pm	3.05
Japan	538-546	542¾-543¾	2.95-2.45y pm	5.74	5.35-4.80 pm	3.74
Austria	28.90-29.15	28.97-29.02	28-19gro pm	8.31	56-44 pm	6.90
Switz.	3.74-3.79	3.76-3.77	4-3c pm	11.15	10½-9½ pm	10.62

Belgian rate is for convertible francs. Financial franc 67.00-67.10. Six-month forward dollar 2.39-2.32c pm. 12-month 3.85-3.75c pm.

THE DOLLAR SPOT AND FORWARD

May 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2555-2.2650	2.2597-2.2607	0.62-0.52c pm	3.03	1.52-1.42 pm	2.60
Ireland†	2.0500-2.0545	2.0500-2.0530	0.80-0.70c pm	4.39	2.35-2.15 pm	4.38
Canada	1.1876-1.1898	1.1893-1.1896	0.12-0.16c dis	—1.41	0.15-0.19dis	—0.57
Nethlnd.	1.9885-1.9916	1.9885-1.9916	0.80-0.70c pm	4.52	1.85-1.75 pm	3.62
Belgium	28.96-29.04	28.99-29.01	4-7c dis	—2.27	9-12 dis	—1.45
Denmark	5.6250-5.6500	5.6450-5.6500	2.35-2.85oredis	—5.52	5.75-6.25dis	—4.25
W. Ger.	1.7980-1.8025	1.8015-1.8025	0.85-0.78pf pm	5.43	2.17-2.10 pm	4.14
Portugal	49.25-49.40	49.25-49.40	12-27c dis	—4.74	40-80 dis	—4.86
Spain	70.80-71.00	70.85-70.95	20-35c dis	—4.65	65-85 dis	—4.23
Italy	846.00-847.75	846-847	1-2lire dis	—2.13	4½-5½ dis	—2.36
Norway	4.9250-4.9450	4.9375-4.9425	0.85-0.35ore pm	1.46	2.00-1.50 pm	1.42
France	4.1950-4.2025	4.1975-4.2025	0.80-0.70c pm	2.14	1.25-1.05 pm	1.09
Sweden	4.2000-4.2200	4.2100-4.2200	0.70-0.50ore pm	1.71	1.15-0.95 pm	1.00
Japan	239.25-240.50	240.20-240.30	0.50-0.30y pm	2.00	0.70-0.50 pm	1.00
Austria	12.84-12.87	12.84-12.87	6.40-5.70gro pm	5.69	16.50-12.50pm	4.36
Switz.	1.6600-1.6700	1.6670-1.6680	1.20-1.10c pm	8.27	3.40-3.30pm	8.03

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

April 30	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.577377	0.813441
U.S. $	13	1.29474	1.39188
Canadian $	16.67	1.53589	1.65828
Austria Sch.	6¾	Unavail.	17.8780
Belgian F.	14	37.6251	40.4307
Danish K	13	7.03704	7.84336
D'Mark	7½	8.83947	2.50570
Guilder	9½	Unavail.	2.76865
French Fr.	2½	5.44244	5.84687
Lira	15	1697.29	1179.11
Yen	9	302.443	532.308
Norwgn. Kr.	9	8.59990	6.86668
Spanish Pts.	8	91.7523	28.5784
Swedish Kr.	16	5.46516	6.65774
Swiss Fr.	5	2.16099	2.32205

CURRENCY MOVEMENTS

May 1	Bank of England Index	Morgan Guaranty Changes %
Sterling	78.9	—35.1
U.S. dollar	86.8	—6.4
Canadian dollar	79.9	—19.3
Austrian schilling	166.1	+24.2
Belgian franc	115.4	+13.9
Danish kroner	106.6	—4.5
Deutsche mark	155.8	+44.8
Swiss franc	198.8	+78.6
Guilder	194.7	+18.1
French franc	101.1	—5.8
Lira	53.7	—50.5
Yen	118.9	+18.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

May 1	£	$		£ Note Rates
Argentina Peso	4024-4044	1792-1789	Austria	28.60-29.10
Australia Dollar	2.0265-2.0305	0.8975-0.8980	Belgium	56.60-67.30
Brazil Cruzeiro	116.14-111.14	48.86-42.05	Denmark	19.55-19.75
Finland Markka	8.38-8.40	3.7150-3.7170	France	9.44-2.52
Greek Drachma	94.0160-96.7876	41.79-48.05	Germany	4.04½-4.08½
Hong Kong Dollar	11.14-11.16½	4.9280-4.9330	Italy	1880-1925
Iran Rial	n/a	n/a	Japan	541-546
Kuwait Dinar(KD)	6.609-0.619	0.2718-0.2719	Netherlands	4.49½-4.49½
Luxembourg Frc.	65.48-65.58	28.29-29.01	Norway	11.10-11.18
Malaysia Dollar	6.0335-5.0450	2.2270-2.2320	Portugal	108-119
New Zealand Dlr.	2.3385-2.3436	1.0350-1.0360	Spain	155¼-163¾
Saudi Arab. Riyal	7.46-7.56	3.3295-3.3316	Sweden	9.48-9.55
Singapore Dollar	4.9430-4.9545	2.1870-2.1920	Switzerland	3.75½-3.78½
Sth. African Rand	1.8070-1.8070	0.7885-0.8000	United States	2.2535-2.2625
U.A.E. Dirham	9.35-8.45	3.7200-3.7230	Yugoslavia	48½-50

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 30	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.4307	+1.61	+0.90	±1.53
Danish Krone	7.72336	7.84336	+1.55	+0.84	±1.64
German D-Mark	2.48208	2.50570	+0.95	+0.24	±1.125
French Franc	5.84700	5.84687	—	—0.71	±1.3557
Dutch Guilder	2.74362	2.76865	+0.91	+0.20	±1.512
Irish Punt	0.668201	0.677519	+1.39	+0.68	±1.668
Italian Lira	1157.79	1179.11	+1.84	+1.64	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

May 1	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.260	4.075	543.0	8.500	3.785	4.498	1815.	2.690	65.53
U.S. Dollar	0.442	1.	1.802	240.3	4.203	1.665	1.990	848.5	1.190	28.99
Deutschemark	0.245	0.555	1.	133.3	2.333	0.924	1.104	469.8	0.560	15.09
Japanese Yen 1,000	1.842	4.162	7.500	1000.	17.50	5.934	8.283	3523.	4.953	120.7
French Franc 10	1.053	2.379	4.287	571.8	10.	3.963	4.734	2014.	2.831	68.98
Swiss Franc	0.266	0.600	1.082	144.2	2.523	1.	1.125	508.2	0.714	17.41
Dutch Guilder	0.229	0.503	0.906	120.7	2.112	0.837	1.	425.4	0.598	14.57
Italian Lira, 1,000	0.595	1.181	2.129	283.8	4.966	1.968	2.351	1000.	1.406	34.25
Canadian Dollar	0.372	0.840	1.514	201.9	3.559	1.400	1.672	711.4	1.	24.37
Belgian Franc 100	1.525	3.448	6.216	828.6	14.50	5.745	6.863	2920.	4.104	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 13.65-13.75 per cent; three-months 13.65-13.75 per cent; six months 12.95-13.05 per cent; one year 12.20-12.30 per cent.

May 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
Short term	—	12¼-12½	14-15	16¼-16½	4-4½	8¼-9⅜	19⅛-19¾	13-14	—	11¼-11¾
7 days' notice	—	12½-12⅝	14-15	10¼-10½	4¼-4¾	8¼-9⅜	19½-19¾	14-16½	12⅞-15	11⅝-11⅞
Month	17¼-17⅝	14⅝-14⅞	15½-15⅞	10¼-10½	5⅝-5¾	8¼-2⅜	12¾-15	16-17½	15⅜-15½	11¾-19
Three months	16¾-17⅛	13¾-14	14⅞-15¼	10¼-16⅛	6¼-6½	9½-2⅞	12⅞-13⅛	15½-16¾	14-14⅛	11¾-13
Six months	16⅛-16⅛	13⅝-13⅝	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	14¾-15⅛	12¾-13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Long-term Eurodollar two years 12⅞-12⅞ per cent; three years 12-12¾ per cent; four years 12-12¾ per cent; five years 11¾-12⅛ per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

UK MONEY MARKET

Further help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day to day credit remained in short supply in the London money market yesterday, and the authorities gave assistance on an exceptionally large scale. This comprised very large purchases of corporation bills and eligible bank bills, all for resale at future dates, and a very large amount lent to 5 or 6 houses at MLR, for repayment today. Discount houses were paying up to 17 per cent, for secured call loans at the start, with later balances taken between 16¾ per cent and 17 per cent. The market was faced with a moderate net take up of Treasury bills to finance and the unwinding of a very large sale and repurchase agreement. There was also the repayment of Wednesday's large official loans.

On the other side banks brought forward balances a small way above target. In the interbank market, overnight loans opened at 17¼-17¾ per cent and rose to 17¾-18 per cent before coming back to 17¼-17¾ per cent around 6000. However late balances were commanding 18-19 per cent.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK	
Prime Rate	18½-18½
Fed. Funds	13½-13¾
Treasury Bills (13-week)	10.10
Treasury Bills (26-week)	10.30
GERMANY	
Discount Rate	7.5
Overnight Rate	9.16
One month	9.55
Three months	10.05
Six months	9.70
FRANCE	
Discount Rate	9.5
Overnight Rate	12.50
One month	12.5625
Three months	12.6875
Six months	13.9375
JAPAN	
Discount Rate	9
Call (Unconditional)	13.25
Bills Discount (three-month)	13.875

LONDON MONEY RATES

May 1 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Discount Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	17-19	—	—	—	17¼-17¾	16¼-17	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	[illegible]	[illegible]	—	—	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	18	19-19½	17	—	[illegible]	17¾
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	19	17	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—	—
Two years	—	—	[illegible]	—	—	—	—	—	—	—

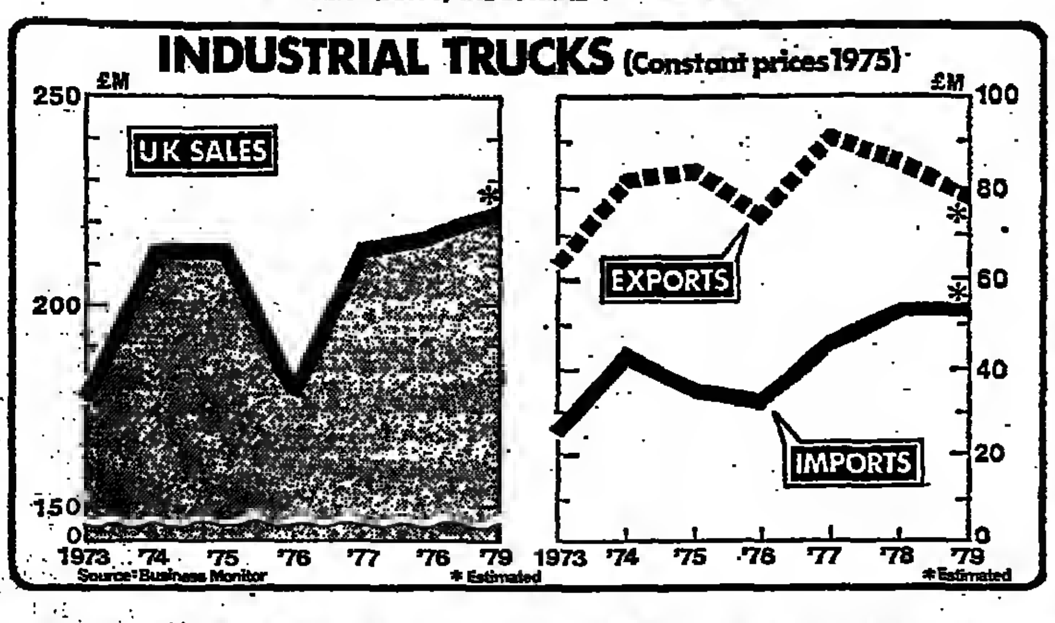
Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 15½-15¾ per cent; four years 14¾-15 per cent; five years 14¾-14¾ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16-16¼ per cent; four-month trade bills 16¾ per cent.

Approximate selling rates for one-month Treasury bills 16⅝-15⅞ per cent; two-months 15⅝-15⅞ per cent; three-months 15⅞-16 per cent. Approximate selling rates for one-month bank bills 17¾ per cent; two-months 16⅝-16⅞ per cent; three-months 16⅞-15⅞ per cent; one-month trade bills 17¾ per cent; two-months 17¼ per cent and three-months 16⅝ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from May 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.0625 per cent.

Britain's lift truck industry feels the draught

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT



BRITISH engineering faces a very tough time over the next year or two, and perhaps longer. In some sectors, there has been a decline for most of the past decade. Measured by share of world markets, import pentration and the rate at which new producta are introduced, it has lost ground both to established competitors and to emerging industrial nations.

The question now is whether decline will spread to those sectors which have traditionally been regarded as the bright stars of engineering. One example is the manufacture of lift trucks. Some strong, U.K.-owned companias, reinforced by the presence of three multinationals, have made the UK one of the most important centres in Europe for this business. The British industry has consistently returned a healthy surplus of exports over imports, and provides an important outlet for component makers.

Buf in the past couple of years, some diaturbing signs have become apparent. Exports have been falling since 1977 and imports have grown to the point where foreign-mada industrial trucks now take 30 per cent of the Britiah market against 15 per cent in the early 1970s.

Exports

Part of tha blame for this performance lies in external factors. Exports increased by 20 per cent in 1977, when sterling was at a low ebb, but have dropped back since the pound has appreciated. Industrial disputesin road haulage early in 1979, and the engineering strike in the late summer, put considerable strain on production schedules. Some companies in the industry say that the real problem last year was not in selling their products, hnt in producing them.

The strikes led to late deliveries in both home and export markets, and must have damaged future competitiveness. Companies have also been struggling to maintain competitive pricing at a time when imports have become attractive because of the strength of sterling, and inflation is pushing up costs. The effect on profit margins, and therefore on future investment programmes, has been significant.

Yet the industry still has definite strengths. The fragmented structure of the British-owned sector has been lessened by a series of mergers, partly prompted by the analysis of tha industry conducted in its NEDO Sector Working Party. The two main British companies, Lansing Bagnall and Coventry Climax, haxe extended their ranges and should have consolidated their market shares.

Lansing, which is part nf the privately-owned Kaya Organisation, has always enjoyed a dominant share of the market for electric trucks. It virtually created that market in the early post-war years, and has continued to ensure that electric trucks enjoy a higher proportion of total sales in the UK than elsewhere in the world.

Coventry Climax, which is owned by BL, has carved out a good share of the home market for internal combustion engine (ICE) trucks—these can be powered by diesel fuel, petrol or liquid propane gas. Climax has benefited over tha past thre years from investment money which was made available by BL after the Ryder Report recommended that the profitable subsidiaries of the group should have acces to new funds.

The three multi-nationals, all U.S.-owned, which manufacture in Britain, are Hyster, Eaton Corporation, and Caterpillar. Hyster is the most successful of the three operations. It has a factory in Scotland, and announced last year that it was to build a second factory in the UK. This will be in Northern Ireland, and, like the Scottish plant, will supply Hyster markets in Europe, the Middle East and Africa.

Eaton and Caterpillar's industrial truck interests form only a part of their group activities. Internal re-organisation throughout Eaton's mechanical handling division has been going on for the past year in response to problems encountered in Europe. Eaton has done the reverse of Clark Equipment, which moved prodnction from the UK to Germany a few years ago, by transferring most of its Garman production to its factory in the Midlands. Caterpillar, in the meantime, has a new factory in Leicestershire from which it intends to mount its European assanlt, bnt so far sales have been disappointing.

The UK has ample capacity to meet the needs of the home market and to export a good percentage of its prodnction. Unlike some industries making highly specialised products, it cannot be said that growing imports are the result of increasing international specialisation. Lift trucks are not a high technology prodnct, although manufacturers do need to keep abreast of technical improvements.

The fact is that imported industrial trucks, at least in technical terms, are not very different from those being made in the UK. An exception, perhaps, is the Japanese truck, which tends to be a more basic and conseqnently cheaper product. Some customers say that European trucks are over engineered, and that for their purposes the Japanese products are very suitable. Service and back-np—very important in this industry—of Japanese trucks is said to be excellent.

A lot is talked about Japanese imports, but in fact they amount to far less than West German imports. Industry statistics show that West Germany is proving the most successful exporter of industrial trucks to the UK, most of them diesel powered, while Japan bas made more inroads into electric trucks. In 1978, West German trucks accounted for 25 per cent of imports, followed by the U.S. Customers are relnctant to say why they buy foreign-made trucks, but there are suggestions that the West German product is more reliable than its British competitor because it is put together better.

Sponsorship

On price, the Japanese apart, there is little difference. Marketing is especially important in this industry, which tends to advertise its products more along the lines of consumer than capital goods. Eaton, for example, sponsors world class rally drivers as part of its promotion efforts; the German company bas also signed np Kevin Kegan to support a new promotion in Britain. Lansing and Climax spend beavily on advertising.

How should the industry respond to disturbing trends in imports and exports? The Sector Working Party has been urging for some time that the industry needs to strengthen itself through acquisitions overseas; it also suggests that it concentrates on markets, both product and geographical, which have growth potential; develop production methods which permit greater economies of scale; and create a better industrial relations climate.

To an outsider, it might appear logical for Lansing (annual turnover around £90m) and Climax (£55m) to merge, especially as BL has made it quite clear that it wants to sell off all its specialist engineering subsidiaries. Lansing, however, believes that such a merger would still not give it any significant volume advantages and thare would be considerable nverlap of products. If it can afford to expand, it would be better to add to its overseas interests.

The initiatives for improvement will lie with the companies themselves. The Sector Working Party aeems tn have run out of steam, baving achiaved very littla since the mergers of three years ago. Once one of the most active SWPs, it may well be axed when its future comes up for review this month. A Government prod, similar to that which led Climax to take over Conveyancer, is ont of the qnestion today.

There will need to be more investment in automation, as there certainly will be in Hyster'a new factory. At the same time, there needs to be more planning for the type of product which industry is likely to require in the future. Automated handling methods are increasingly in demand in factories worldwide. This calls for a high degree of co-operation with electronics companies in the design of more sophisticated handling systems. The British industry may also have to sell its products more as a handling package rather than as individnal items of hardware. Increasingly, there is a demand from customers for such packages.

The industry's most urgent task, however, is to examine the reasons for its losing orders in its home market. Although 1980 and 1981 are expected to be difficult years, demand for lift trucks in Britain has been generally buoyant. Even today, it is less depressed than in some other European markets. But if the industry continues to allow its home base to be eroded, the chances of creating more export opportunities will be severely rednced.

APPOINTMENTS

Thomas Frost becomes chief executive National Bank NA

Mr. Thomas P. Frost, president of NATIONAL BANK OF NORTH AMERICA, a subsidiary of National Westminster Bank, has taken over tha additional dnties of chief executive office in place of Mr. John H. Vogel, who continues as chairman. The change will release Mr. Vogel of day-today executive responsibilities, allowing him to expand his participation in banking inbanking intry and government dustry and government relatioos and to participate more activiely in NBNA's business development and pnblic interest programmes.

*

Mr. P. W. R. Hewson has joined WESTLAKE AND CO., stockbrokers of Plymouth, as an associated member.

*

Mr. David A. Ferguson has been been appointed finance director of LONDON AND SCOTTISH MARINE OIL COMPANY.

*

Mr. A. K. Gill and Mr. J. V. Wilkinson, at present divisional managing directors, have heen appointed joint group managing directors of LUCAS INDUSTRIES, and will each be resnonsible for specific areas of the group's world-wide operations. Mr. J. W. Shield, at present a director and treasurer, will have widened responsibility for group financial control and administration and becomes finance director and treasurer.

*

Mr. S. R. B. Wood, previously with Sheppards and Chase, stockbrokers, has been appointed an assistant to the directors of ALLAN HARVEY AND ROSS.

*

Mr. Tom Baugh was appointed managing director of VICKERS defence systems division. He has been manufacturing director of the division since he joined Vickers in 1977 from the Board of Hadfields of Sseffield. Mr. Baugh takes over the position of managing director from Mr. Peter Crowther, who, who remains chairman of Vickers defence systems and is also a member of Vickers engineering group board and chairman of Elswick Works local board.

*

Mr. R. P. St. G. Cazalet, Mr. C. G. Clarke, Mr. C. N. Day, Mr. J. J. C. Edwards, Mr. H. M. Priestly, Mr. B. H. B. Wrey and Mr. T. A. P. Walker have been appointed directors of HENDERSON PENSION FUND MANAGEMENT, a newly-formed subsidiary of Henderson Administration.

Mr. S. J. Kilby has been appointed to a director of LILLESHALL COMPANY. He will continue to manage the Gloucester steel stockholding operation.

*

Mr. Brian Baker, managing director of Autobar Vending Supplies, has been elected chairman of the AUTOMATIC VENDING ASSOCIATION of Britain for 1980/81. Mr. Harry Turnbull becomes treasurer of the association and Mr. Mike Bridla has been appointed to the board of management.

*

Mr. Alan Taylor, general manager, has been appointed to the Board of S. LYLES.

*

Mr. Harry G. Werrell has resigned as managing director of HERMETITE PRODUCTS to become managing director of tha UK operation nf SWIFT CHEMICALS.

*

Mr. Roy R. Wiseman Jnr., has been appointed general manager of the wbeel and brake operations of GOODYEAR AEROSPACE CORPORATION, succeeding Mr. S. C. Haines.

*

Mr. David McMaster has been appointed sales director of RIVER DON STAMPINGS.

*

Mr. D. K. Thomas bas been a director of ROBERT FLEMING INVESTMENT MANAGEMENT.

*

Mr. Richard Simmons has been elected to succeed Mr. Richard Barber as chairman of the BOW GROUP.

*

Dr. Derek Ranson bas been appointed a director of tha RALPH PARSONS COMPANY, a subsidiary of the Parsons Corporation. He succeeds Mr. Wagn Eskelund, wbo bas retired from the Board.

*

Sir Gordon Freeth, previously Australian High Commissinner to London, has been appointed a director of AUSTRALIAN CONSOLIDATED MINERALS.

*

Mr. R. Whalley has joined tha Board of FERRANTI INSTRUMENTATION.

*

Mr. J. Harry Leach, a director of Tootal, bas been elected president of the BRITISH TEXTILE EMLOYERS ASSOCIATION succeeding Mr. Ernest Cummins, deputy chairman of Carrington Viyella, who becomes immediate past president. The new deputy president is Mr. Denis Babbs, of Mutual Mills.

*

Mr. P. D. Rylands has been taken into partnership by CAZENOVE AND CO., stockbrokers.

*

Mr. Robert A. Nnrman and Mr. George Preston have been appointed to the London Advisory Board of the BANK OF NEW SOUTH WALES.

*

Mr. J. M. Brady, has been appointed chairman and managing director of BRISTOL-MYERS COMPANY LTD. He replaces Mr. J. G. Keinberger who is returning to the U.S. to take np a senior position with the parent company after two years as chairman and managing director of the UK and Ireland operation. Mr. Brady has been managing director of Bristol-Myers Australia New Zealand and Pacific Islands.

*

Mr. J. F. E. Smith has been appointed a non-executiva director of TRANSPARENT PAPER.

*

Sir Donald Tebbit, lately British High Commissioner to Australia, has been appointed director general of the BRITISH PROPERTY FEDERATION from July 1 in succession to Sir Eugene Melville KCMG, who has retired.

*

Mr. D. S. Ottway bas been appointed managing director of PORTALS (BATHFORD), a member of the Portals Holdings Group.

*

Mr. Bob Nixon has been appointed deputy managing director of BRITISH CRANE HIRE CORPORATION (NORTHERN) a Richards and Wallington Group subsidiary. Ha was previously financial director.

*

Mr. Brian Lambert has béen elected chairman of WIGHAM RICHARDSON AND BEVINGTONS (UNDERWRITING AGENCIES) in place of Sir George Wigham-Richardson, who has resigned as chairman but remains on tha Board. Mr. Lambert is a deputy chairman of Wigham Poland Holdings tha parent company.

*

Mr. J. M. G. Bradney has been appointed managing director of BOUSTEAD COMMODITIES, a newly incorporated subsidiary of Boustead.

*

Mr. David E. Dowlen is to be honorary adviser to tha DEPARTMENT OF TRADE on marine insurance matters in place of Mr. Henry Dumas, who has retired. Mr. Dowlen retired as chairman of Robt. Bradford Hobbs Savill in February.

*

Mr. Keith R. Bowman has been appointed deputy group managing director of NORTON AND WRIGHT GROUP.

*

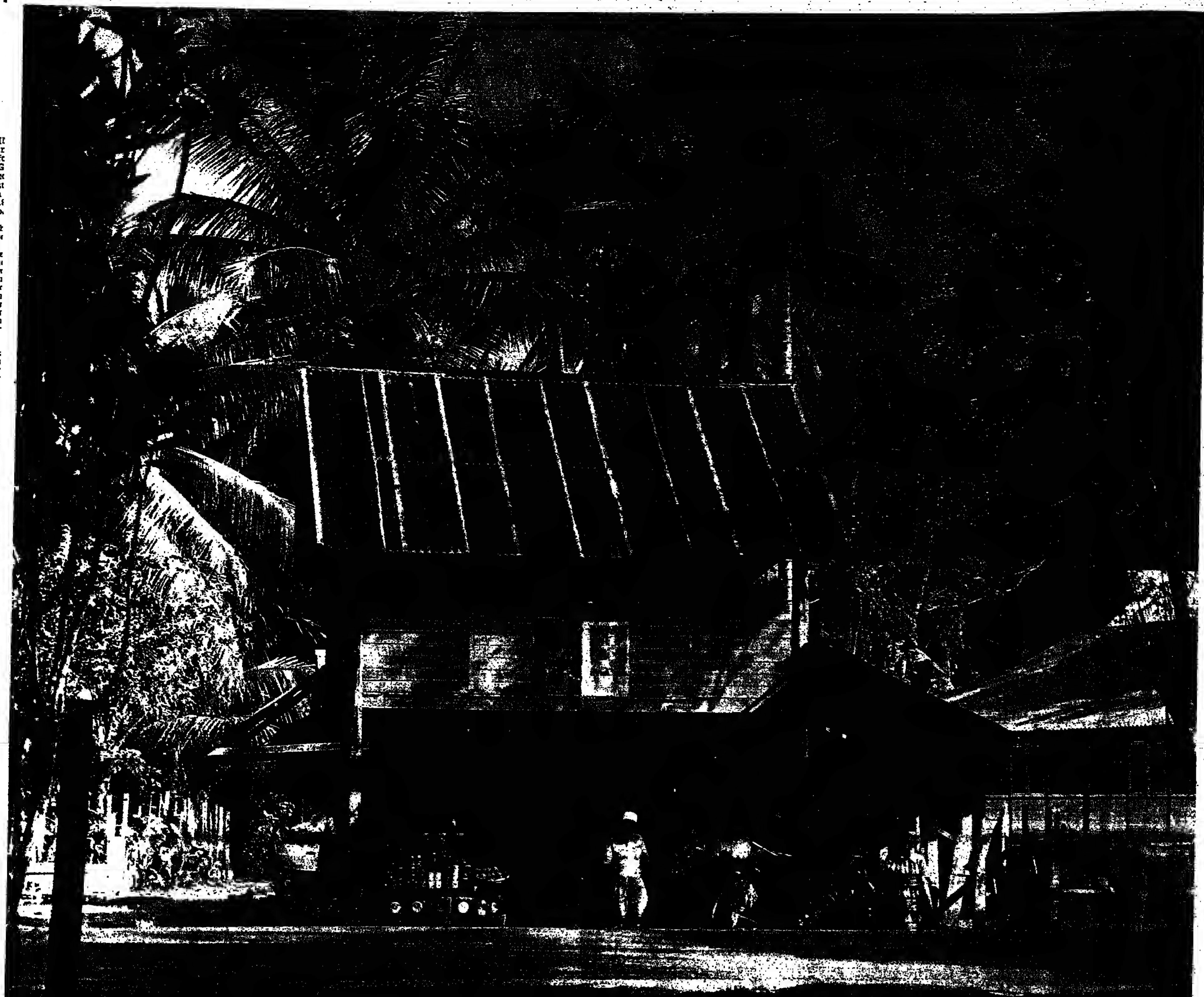
Mr. Michael E. Brown has been elected vice chairman of the LONDON METAL EXCHANGE COMMITTEE. He is managing director of Lonconex. Mr. F.osetLEJ c cm sb etaolinn s h I. E. J. Foster has been re-elected chairman of the LME Committee for a fourth term.

*

Mr. E. J. Jones and Mr. A. E. Shaw have been appointed to the board of SGB GROUP.

*

Mr. Geoffrey Platt has joined the board of ROTUNDA and remains chief accountant and company aecretary. The parent concern is BICC.



It's not exactly Croydon High St., but you can still buy 14 different Reckitt & Colman brands.

One of the great strengths of Reckitt & Colman lies in the large number of different products it makes.

There are hundreds of them worldwide, many leaders in their field, and most related to basic, everyday human needs.

Which is why even in a tiny shop like this, you're likely to find over a dozen Reckitt & Colman brands; and in a big supermarket it could be well over 50.

Another of the great strengths of our company lies in its wide geographical spread. The picture above was taken in Malaysia; it's only one of 40 different countries in which we operate.

In many of these countries we both manufacture and sell. In addition, we are large exporters from the UK, winning in 1979 the coveted Queen's Award for Export Achievement.

However, in certain times, trading extensively abroad brings problems as well as rewards. For example, in 1979 Reckitt & Colman, in common with other big British companies trading overseas, was adversely affected by the strength of sterling.

Sterling's high price meant that the earnings shown for our overseas companies translated into fewer pounds.

It also affected our revenue on exports from the UK – for holding our prices at foreign currency rates meant accepting lower profits in sterling terms.

On a more specific level, Reckitt & Colman faced two other setbacks during last year. The first was the lorry drivers' strike in the UK. The second was difficult trading in some parts of our North American business; steps have been taken to deal with this.

It is not surprising, therefore, that our profit before tax in 1979 was down on the 1978 figure: at £51 million, as against £61 million.

However, it is important to judge a company like Reckitt & Colman, not on one year's figures, but on its long term performance, strengths and prospects.

Our long term record is one of almost continual growth.

Indeed, in 1979 the turnover improved to £659 million as against a figure of £607 million in 1978.

With brands like Dettol, Robinson's drinks, Supersoft, Lemsip, Gale's Honey and Winsor & Newton our product strength is undeniable.

And perhaps the most significant indication of our own belief in our future prosperity is our decision to increase dividends for the year to 8.5p per share so as to restore to shareholders most of the loss in the purchasing power of dividends which took place while dividend controls were in force.

If you would like a free copy of our 1979 Report and Accounts, please send the coupon.

Reckitt & Colman

Group Headquarters: 1-17 Burlington Lane, London, W4 2RW.

To: Reckitt & Colman, FREEPOST, London, W4 2BR.
Please send me a copy of Reckitt & Colman's 1979 Annual Report.
(Postage is paid. Please do not stamp the envelope.)

Name. ____________________

Address. ____________________

FT

NORTH AMERICAN NEWS

Cavenham in new move for Diamond

BY IAN HARGREAVES IN NEW YORK

CAVENHAM HOLDINGS, one of the companies controlled by Sir James Goldsmith, yesterday unveiled the latest element in its strategy to acquire a controlling interest in Diamond International, the New York-based forest products company.

Cavenham said it was writing to Diamond shareholders in advance of Diamond's annual meeting on May 14, urging them to support a move to postpone Diamond's consideration of a rival merger proposal with Brooks Scanlon, another forest products company, until August 15.

Cavenham, which controls directly or indirectly more than 5.6 per cent of Diamond's stock, is also proposing resolutions to the meeting which would "facilitate consideration of certain tender offers which may be made for shares of Diamond common stock."

If a postponement is agreed, Cavenham says it will offer to buy "a substantial portion—but in all likelihood, less than a majority—of Diamond's outstanding shares."

On Wednesday, Diamond, in its first pnblic comments on Sir James's manoeuvres, accused Cavenham of trying to confuse Diamond shareholders.

It added that Cavenham's tentative offer to buy shares was too vagu efor it to 5o assessed.

Diamond proposes to pay $6.4m for Brooks Scanlon and to issue an additional 2.6m shares, which would dilute Sir James's holding in ths company.

AP-DJ adds from New York: Mr. William J. Koslo, president of Diamond International, has declared in a letter to stockbolders that Cavenham Holdings bas embarked on an attempt to "gain control of Diamond International for the lowest possible price."

Cavenham began buying Diamond International shares about a year and a half ago.

Wall Street traders believe that any dilution of Cavenham's interest in Diamond International could he crucial to any attempt by Generalo Occidental, the parent company of Cavenbam, to gain outright control of Diamond.

They note that Generale Occidentalo bas during the past month firmed up plans to sell two units for the equivalent of abont $240m of which it is estimated somo $200m would be available to buy Diamond stock. That would be in addition to an estimated $100m to perhaps $150m of other liquid assets that also might be available for any diamond offer.

Thus, some Wall Street traders think that, Generale Occidontale might be in a position to offer perhaps $50 each for as many as 7m Diamond shares.

That many shares would give the grench concern more than 50 per cent control of Diamond, presuming the U.S. company's shares outstanding remain at 12.8m. But it would leave Generale Occideotale woll short of majority control should the Brooks Scanlon merger take place as proposed.

that Cavonham could announce plans for a condtional dual offer —one price that would he paid should Diamond bolders turn down the Brooks Scanlon acquisition on May 14 and a lesser prico should the deal be approved and pnt into effect.

Kaiser Cement sees decline this year

OAKLAND — Full-year operating earnings of Kaiser Cement in 1980 are likely to be well below the record level of 1979, Mr. Walter E. Ousterman Jr., chairman president and chief executive, said.

He views 1980 as an interim period between record earnings levels of the last two years and the promising outlook the company sees for 1981 and beyond when significant operating benefits of the company's major modernisation and expansion programmes are expected to be realised.

Mr. Ousterman declined to estimate the year's results but he said that sharply higher energy costs, start-up exponses for several new facilities and growing concern for economic conditions are the primary reasons for anticipating the decline.

In 1979, Kaiser had record earnings from continuing operations of $34.6m or $4.94 a share before a non-recurring gain of $4m or 60 cents a share from the sale of assets.

While operating results in ths 1980 second half could compare favourably with those in the 1979 second half, Mr. Ousterman said it now appears that earnings in the first six months of this year will be down substantially from tho very high level of last year. Thus, he said, results for tho full year probably will be well below those of 1979.

AP-DJ

General Dynamics bucks trend and raises profits

BY JOHN MAKINSON IN NEW YORK

GENERAL DYNAMICS, the largest U.S. defence contractor, *has* reported a rise in first quarter earnings and expects its strong order book to provide some insulation against an economic slow-down.

Net income rose 23 per cent to $36.3m while sales were up 19.5 per cent to $1.07. Both sales and earnings were records for tha first quarter.

The profits growth at GD is in contrast to the first quarter declines reported by two other defence contractors, Lockheed and McDonnell Douglas. Both these companies have been hit by *sharp cost* increases.

In common with the rest of the industry, GD bas sizeable order backlogs. It recently lost a major Pentagon competition to produce a bomber-launched cruise missile as well as a campaign to sell fighters to the Canadian Government. But it has won some consolatioo in a Pentagon contract to modify its cruise missile.

Mr. David Lewis, the company's chairman and chief executive officer, said "our commercial operations will, of course, be adversely affected by the general slowdown in business activity and we are already beginning to feel the impact."

He added, bowever, that "the strong base provided by our backlog of very high priority government programmes will enable the company to continue to g row during these uncertain times." For the first quarter, net earnings per share were $1.33, compared with $1.08 in 1979.

CANADIAN COMPANIES

Natural resource sector ahead

TORONTO — Canadian business corporations cootinue to post large gains in profits, led by the natural resource sector. A survey of 118 companies showed that in the first quarter, after tax operating earnings totalled C$2bn (U.S.$1.69bn) up 52.2 per cent from C$1.31bn a year ago.

Tho gai ncompares with tho 1979 fourth quarte rgain of 54.4 per cent for these concerns. Total profits for the surveyed companies in the 1980 first quarter *dipped* 5.1 per cent from the C$2.11bn achieved in the 1979 fourth quarter.

The strongest sectors were oil and gas, mines, textiles and chemicals. Improved prodnct prices and the low value of the Canadian dollar were cited by many companies for the advance in earnings.

Tho only sectors to post overall declines in profits from the 1979 first quarter were trust and finance firms and utilities both feeling the pinch of soaring interest rates.

In the first quarter, 23 mining concerns reported profits of C$491.2m up 94 per cent from the year ago period. Higher metal prices were the impetus to the earnings gain.

For 12 oil and gas firms, first quarter profits totalled C$633.3m, a 91.3 per cent jump ahead of 1979's first quarter. Higber product prices and wider refining margins were noted hy many companies.

Textile and chemical companies earnings rose 60.6 per cent to C$34.2m but the gain did not matcb the 231 per cent surge in 1979 fourth quarter profits over the year earlier levels.

First-quarter earnings of tho three msjor steelmakers rose 25.9 per cent to C$103.1m from the comparable quarter. Despite sagging demand from the car industry and for large-diameter pipe, the steelmakers reported operations running at capacity. While the steel companies were optimistic on the *short-term outlook*, they said thst the outlook for the second half is more clouded.

For 15 forest product concerns, first-quarter profits totalled C$219.6m, a 23.3 per cent improvement over 1979. However, these earnings were about even with those of the 1979 *fourth* quarter. Producers of lumber products are being hurt by tbe housing slump in the U.S., but demand for newsprint continues strong.

AP-DJ

Copper price rise helps Phelps Dodge

By Our Financial Staff

PHELPS DODGE, the U.S.' second largest domestic copper producer, has sharply higher first quarter profits because copper prices averaged 50 per cent higher than in the year earlier quarter.

Net p.rofits rose to $49.3m or $2.31 a share from $17m or 75 cents a share a year earlier. Sales climbed to $435.3m from $314.4m.

The first quarter results included for the first time ths company's share of the profits of the Woodlawn Mine in Australia which contributed pre-tax earnings of $1.8m, and the Black Mountain Mine in South Africa which contributed a loss of $2.4m pre-tax. Both mines are in their start-up phase.

Dip in Bangor Punta earnings

BY OUR FINANCIAL STAFF

A DIP in second quarter earnings at Bangor Punta, together with a warning for the second balf of the year, reflects a stalling of profits from last year's record total caused by weakness in tho general aviation sector *which provides a half of group* earnings.

The second quarter shows a fall in earnings from $7.7m or $1.55a share to $6.5m or $1.26. *Sales are also lower* at $201.3m against $206.2m.

In last year's second half, Bangor Punta recorded net *earnings of $18.2m but did not* break down operating Income. This year the board warns operating Income will be lower.

However, the company *expects to roport a capital gain* in the second half of fiscal 1980 from ths previously announced salo of California farm land, which should add between *$1.10 and* $1.15 a sbare to primary earnings.

At the mid-term stage, Bangor Punta, whose interest include tho Smith and Wosson gronp handguns and sporting arms group (2 per cent of earnings), as wel las agricultural and industrial products, has earned $18.2m or $3.68 a *share against* $14.5m or $2.90 on sales of $406.3m against $387.9m.

The management has forecast additional earnings growth this year *following the increase from* $4.89 a share to $5.95 in 1979.

Kodak weathers rising costs

BY OUR NEW YORK STAFF

EASTMAN KODAK, the U.S. photography group, has not suffered so badly from rising silver and petrochemical prices as many outside forecasters had supposed.

The group reported a 9 per cent rise in first qnarter net income, to $215.9m or $1.34 a share, from $197.5m or $1.22 a share. The group's shares rose $2.50 to $52⅝ after the announcement.

Cost increases did, however, result in soms margin squeezing since total sales were up hy 30 pe rcent to $2.14bn. Kodak said much of the sales Improvement reflected orders ahead of anticaipted price rises in the photograpby division.

The earnings gain was based on good results reported by overseas units.

Over the full year, Kodak said sales will run ahead in dollar terms but "the state of the economy will impact our volume as the year proceeds."

First quarter lift at SoCal

By Our New York Staff

STANDARD OIL of California (SoCal) the last of the large U.S. oil companies to report this quarter, showed a profit gain of 83 per cent. Earnings rose from $343m or $2.01 a sbare to $627m or $3.67 a share.

The sharpest gain came in U.S. operations where earnings rose 105 per cent to $217m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see ths complete list of Eurobond prices published on the second Monday of each month.

Closing prices on May 1

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	50	88½	89⅛	0	+0⅞	12.17
Australian Res. 9¾ 84	30	92¾	93¾	+0¼	+1⅞	11.78
Avco O/S Cap. 10¾ 87	40	79½	80½	0	+2	14.97
Beneficial Fin. 9¾ 87	100	88⅞	89¾	+0¼	+0⅞	12.07
CECA Grad. Rate 12 86	100	92¾	93	−0½	−0¼	13.72
CECA 11¾ 90	50	94⅞	95⅛	+0⅞	+2¾	12.50
Canadian Pacific 9¾ 89	50	90	90½	+0⅞	+1	11.54
Carter Hawley 9¾ 86	50	88⅞	90⅛	0	+0⅜	12.18
Comalco Inv. E. 10¾ 91	40	90⅞	90⅞	+0⅞	+2⅞	11.78
Continental Grp. 9¾ 86	100	89¾	90¼	+0½	+0⅞	11.99
Dome Petroleum 10 94	54	82¼	82¾	0	+0⅞	12.71
Dominion Bridge 10¾ 84	30	92¾	93	+0¾	+1⅞	12.69
EIB 11¾ 92	80	93¾	93⅞	+0¾	+1½	12.86
EIB 10.15 99	100	†82⅞	84	−0½	0	12.88
EIB 13¾ 90	100	103½	104	+0⅞	+2¾	13.06
Ekportfin 11¾ 87	50	96½	97	+0⅞	+1¾	11.36
Export Dv. Cpn. 9¾ 84	100	92⅛	92½	+0⅞	+1¾	11.81
Export Dv. Cpn. 9¾ 84	150	93	93½	+0⅛	+1¾	11.79
Finland 9¾ 89	100	†84	84½	0	−0⅞	12.96
GTE Finance 9¾ 89	55	86⅞	86⅞	+0¾	+1	12.27
GMAC 9¾ 89	75	90¼	90⅞	+0⅞	+2	11.51
GMAC O/S Fin. 11 84	100	96⅞	96⅞	+0⅞	+1½	11.96
GMAC O/S Fin. 13¾ 85	100	102⅞	103¾	+0⅞	+1⅞	12.48
Gould Int. Fin 9¾ 85	50	90½	91	+0¾	−0⅞	12.38
ITT Antilles 9½ 89	75	87⅞	87⅞	+0¾	+1¾	11.88
Kennecott Inl. 9½ 86	100	86⅞	87¼	+0¾	+0⅞	12.67
Manitoba 9½ 89	75	87⅞	87⅞	+0⅞	+2⅞	11.84
Michelin 10 84	125	86⅞	86⅞	0	+0⅞	11.38
Nat. Dev. Telecm. 9½ 86	100	90⅞	91¼	+0⅞	+1½	11.86
New Brunswick 9¾ 94	75	84	84½	+0⅞	+1¾	12.14
Newfoundland 10 94	50	88¼	89⅛	+0⅞	+0⅞	11.85
Norges Komm. 9¾ 89	100	†82⅞	82¾	−0⅛	−0⅛	12.63
Norway 9½ 84	150	93¾	94⅛	+0⅞	+0⅞	11.50
Nova Scotia Pwr. 9¾ 89	50	88⅞	89⅛	+1⅞	+2⅞	11.81
Pennwalt O/S F 9¾ 84	25	92⅞	93⅞	0	+0⅞	12.00
Pepsico Cap. 9¾ 84	100	93	93½	+0⅞	+1	11.50
Quebec Hydro 10 99	75	82½	82⅞	+0⅞	+0½	12.46
Sears Roebuck 9 82	150	94⅞	95⅜	+0⅞	+1⅛	12.14
Statoil 9⅞ 89	100	87⅞	88⅛	+0⅞	+0⅞	11.78
Sweden 9¾ 89	100	88⅞	89⅛	+0⅞	+0⅞	11.82
Sweden 9½ 86	200	†89⅞	90⅛	+0⅞	0	12.17
Sweden 9¾ 84	100	94	94½	+0⅞	+0⅞	11.49
Unilever NV 9¾ 87	100	88¼	88⅞	−0⅞	+0⅞	11.71
Warner-Lambert 9 84	100	90⅞	91¼	+0⅞	+1	11.84

Average price changes... On day +0¼ on week +0⅞

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8½ 90	250	88	88¾	0	0	8.16
Asian Dev. Bk. 7¾ 88	100	96	96	+0¼	−0¼	8.35
BFCE 7¾ 87	100	95¾	96½	0	+1	8.52
BFCE 8¾ 95	100	93¾	94½	0	+0¾	8.85
Brazil 8 87	150	91½	91⅞	0	−0½	9.67
CECA 7 91	150	89	89¾	0	−0¼	8.53
Council of Eur. 7¾ 89	100	92¼	92⅞	0	+2	8.47
Denmark 7½ 86	100	94¼	95¼	0	−0¼	9.07
Denmark 8¼ 92	100	94⅞	95½	0	+0¼	8.96
EEC 7⅞ 94	225	94	95	+0½	+0¼	8.54
EIB 7½ 89	200	92½	93¼	0	−0¼	8.66
Finland Rep. of 8 88	150	95¾	96¼	0	−0¼	8.75
Kobe, City of 7¾ 89	150	90¼	90⅞	0	+1¼	8.63
Neder. Gasunie 8 86	100	96¾	96¾	0	+0¼	8.29
New Zealand 7¾ 87	200	92½	93¼	0	+0½	8.47
Norway 7½ 85	250	97¼	97¾	0	+0¼	8.14
OKB 7¾ 89	100	91¼	91⅞	0	+0¼	8.72
Oslo, City of 8¾ 90	80	96¼	96½	0	+0¾	8.90
Sweden 9¾ 87	200	106⅜	107	0	+0¼	8.44
World Bank 7¾ 91	400	91⅞	92¼	0	−0¼	6.86
World Bank 7⅞ 90	250	93⅞	94¼	0	+0½	8.77
World Bank 10 86	150	104¾	105¾	0	+0¾	8.84
World Bank 10 90	200	106¼	106	0	+1	9.12

Average price changes...On day 0 on week +0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	92	92½	0	+0⅞	6.66
Aumar 5 89	60	95	95½	0	+3	5.68
Australia 3¾ 89	250	89¾	90¼	0	+0⅞	5.02
Bergen, City of 4¾ 91	40	90	90½	0	+1	5.98
BNDE 5 89	75	86¾	87¼	0	+0¾	6.95
BMW Overseas 4¾ 91	100	91½	91¾	+0½	+0¾	6.25
Caisse Nat. Tele. 4¾ 89	100	92½	93	0	+2	5.38
CCCE 5¾ 90	100	100¼	100¾	+0¾	+3¾	5.70
Copenhagen 4½ 91	80	87½	88	0	+2¾	6.01
Council of Eur. 5 89	100	94½	95	0	+3¼	5.72
EIB 4½ 91	100	89	89½	0	+1½	5.84
EIB 4⅞ 94	100	85½	86	0	+0¾	5.87
Elec. de France 4¾ 89	100	94¾	95¼	0	+1¾	5.08
GZB 4¾ 89	100	88¾	89	0	+0¾	5.80
Hitz. 4½ 91	35	94¾	94⅞	−0¼	+4¾	4.87
Int. Amer. Dev. 4½ 89	100	88¾	89	0	+0¾	6.10
Jutland Tele. 5½ 90	50	99¾	100½	0	−0¼	5.48
Malaysia 5 89	80	87	87½	0	0	6.87
Nippon Tel. & T. 4¾ 89	100	92	92½	0	+0½	5.31
Nordic Bank 5 89	45	96¾	97¼	0	+0¾	5.42
Norges Komm. 4¾ 91	100	87¼	87¾	0	−0¼	5.89
OKB 3¾ 91	100	82½	83⅛	+0¼	+0¼	5.91
OKB 4¾ 01	100	87¼	87¾	0	+0½	5.90
OKB 6 90	100	102	102¼	0	+0¾	5.71
Oslo, City of 4¾ 91	100	87¼	87¾	0	+0¾	5.82
Shikoku El. Pwr. 4¾ 89	100	93½	94	0	0	5.63
Stavanger 4¾ 91	80	93	93½	0	−0½	5.57
Voest-Alpine 4¾ 89	90	86½	86	0	+1	5.35
World Bank 4¾ 89	100	93	93½	0	+0½	5.57
World Bank 4¾ 89	150	89¾	90¼	+0¼	+1¾	5.76
World Bank 4¾ 91	100	90	90½	0	+1¼	5.81

Average price changes...On day 0 on week +1

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 85	30	87¾	89	+0¾	+1	8.71
Australia 8¾ 88	20	91¾	93¾	+0¾	+3	9.76
EIB 7¾ 89	12	89½	91¼	+0¾	+1¾	9.33
Finland 5.6 83	10	87	89¼	+0¾	+0¾	9.94
Finland 6.6 86	10	83¾	85¾	+1¾	+4	9.69

Average price changes... On day +0¾ on week +2

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 10¾ 86 C$	60	89¾	90¼	+1¼	+0⅞	13.11
Cr. Foncier 10¾ 84 C$	30	87½	88	+0¼	+1¾	14.32
Ex. Dev. Cpn. 10 84 C$	50	90⅞	91⅜	+1⅛	−0⅞	12.95
Fst. Can. Inv. 10 84 C$	50	89¾	90¼	+0¼	−0¼	13.40
Hudson Bay 10½ 89 C$	60	88⅞	89⅜	+0½	+2⅞	12.64
Quebec 10¾ 86 C$	50	90	90½	0	+2¾	12.67
R. Bk. Canada 10 86 C$	40	89⅞	89⅞	+0¾	+1¾	12.61
R. Bk. Canada 10 94 C$	40	84¼	84¾	+1¾	+2¾	12.40
Copenhagen 8¾ 91 EUA	20	92	93½	0	+0¾	8.82
M. Bk. Dnmk. 8 91 EUA	25	93¾	95	0	+1½	8.82
SOFTE 8¾ 89 EUA	40	87½	83¼	0	−0½	11.35
U. Bk. Nrwy. 9½ 90 EUA	18	96¾	98	0	0	9.92
Algemene Bk. 8¾ 84 Fl	75	97¼	97¾	0	+0¾	8.98
Ned. Gasunie 8¾ 84 Fl	50	97¼	97¾	0	+0¼	9.49
Ned. Middbk. 8¾ 84 Fl	75	95¼	95¾	0	+0¼	9.72
Norway 8¾ 84 Fl	100	96¾	96⅞	0	+0⅞	9.40
Norway 8¾ 84 Fl	100	96	96½	0	+1¼	9.20
Philips Lamps 8¾ 84 Fl	75	95¼	95⅞	0	+0¾	9.60
Air France 11 84 FFr	120	94	94¾	−0¼	+0¼	12.71
CECA 14¾ 86 FFr	150	104	104¾	−0½	+1¾	13.13
Euratom 9¾ 87 FFr	150	84¾	85¾	+0¾	+1¾	13.15
Finland 11 84 FFr	80	93¾	94½	−0¼	+0¾	12.76
Finland 11¾ 89 FFr	70	90	90¾	−0¼	+0¾	13.31
Gaz de France 11 84 FFr	150	93¾	94¾	+0½	+0½	12.79
IBM France 11¾ 84 FFr	120	95½	96¼	−0¾	+1¾	13.06
Renault 9¾ 85 FFr	100	84½	85¼	−0¼	−0¾	14.02
Saint-Gobain 9¾ 86 FFr	130	84¾	85¼	−0¼	+0¾	13.81
Solvay et Cie 9¾ 87 FFr	125	82	82¾	0	+0¼	13.85
Citicorp O/S 13½ 90 £	50	85¼	85⅞	+0¼	+2	14.25
EIB 11¾ 91 £	25	88⅞	89¾	+0¼	+0⅞	13.52
Finance for Ind. 13 91 £	15	94½	95½	+0¼	+2¾	13.90
Fin. for Ind. 12½ 89 £	30	90½	91½	0	+1¾	14.38
Fin. for Ind. 14½ 88 £	20	100⅜	101	+0¾	+2¾	14.33
Gen. Elec. Co. 12½ 89 £	50	92½	93¼	+0¾	+2¾	13.93
Swed. Ex. Cr. 15¾ 85 £	20	101	101¾	+0⅞	+1¾	14.83
Indonesia 8¾ 91 KD	7	†93	93¾	0	0	0.76
Mitsubishi 7½ 84 KD	10	†89½	90	0	−0¼	10.60
Norges Kom. 7½ 89 KD	12	†93¾	93⅞	0	0	8.54
Occidental 0¾ 91 KD	7	†90¾	90⅞	0	0	9.69
Akzo 9¾ 87 LuxFr	500	90¾	91¾	0	+0¼	11.03
Euratom 8 87 LuxFr	500	86⅞	87⅞	0	+1¾	10.79
Euratom 9¾ 88 LuxFr	500	87	98	0	+0¼	10.22
EIB 9¾ 86 LuxFr	600	97¼	98¼	0	+1¾	10.19
Volvo 9¾ 87 LuxFr	500	86⅞	87⅞	0	+1¾	10.24

FLOATING RATE BONDS	date	price	Bid	Offer	day	Prem
Allied Irish Bk. 5¾ 87	0¼	97½	98	2/7	15⅞	15.47
Banco di Roma Int. 6 87	0¼	98¾	99¾	29/10	15.31	15.39
Bank of Ireland 5¾ 89	†0¼	98	98½	21/5	16¼	16.41
Bank of Tokyo 5¾ 88	†0¼	97½	98	25/10	16.56	16.94
Barclays O/S Inv. 5 90	0¼	97½	98	13/6	14¼	14.58
Bergen Bk. A/S 8 89	†0¼	87¼	87⅞	29/5	17¼	17.67
Bque. Indo Suez 5¾ 89	0¼	97¾	98¼	11/7	14.69	14.97
Citicorp O/S F. 6 94	†0¼	99¾	99⅞	8/6	18.87	18.88
Citicorp O/S F. 83	§0	99¾	99¾	23/5	16.06	16.14
Citicorp O/S F. 84	§0	99¾	99¾	30/5	16.94	17.02
C. Itoh 5¾ 87	0¼	100¼	100⅞	18/9	19.44	19.32
Co-operative Bk. 6 86	0¼	97⅞	98¼	15/5	15.06	16.35
Creditanstalt 5½ 91	§0¼	99½	100	14/6	18.44	18.48
CNT 5¾ 86	§0¼	99⅞	100¼	16/10	18½	18.10
GZB 5½ 89	†0¼	98½	99	1/6	14¼	14.61
Jugobanka 8 89	0½	92¾	93¼	23/5	16	17.25
Ind. Bank Japan 5¾ 87	0¼	100¼	100¾	16/10	18¾	18.68
LTCB Japan 5¾ 89	0¼	98¾	98¾	13/5	14¼	14.49
LTCB Japan 5½ 89	0¼	97¼	97¾	7/6	14.19	14.57
Mfrs. Han. O/S 5¾ 94	†0¼	99	99½	30/5	17¼	17.25
Midland Intl. Fin. 5 89	0¼	99¾	100¼	20/6	15	15.00
Nacional Fin. 6¼ 88	0¼	98¼	98¾	25/7	14.69	14.91
Nat. West. 5¾ 94	§0¼	100¼	100¾	11/10	18¾	18.56
Nippon Credit 5¾ 86	0¼	98⅞	97¼	12/7	14.44	14.90
Nippon Credit 5¾ 87	†0¼	97½	98	6/6	14.69	15.03
Royal Bk. Scot. 5¾ 94	§†0¼	99¾	99¾	11/7	19½	19.60
Soc. C. d Bque. 6½ 87	0¼	100¼	100¾	3/10	20.06	19.96
Sogenal 5¾ 89	§0¼	97½	98	13/7	14.44	14.77
Standard Chart. 5¾ 90	0¼	100¾	100¾	8/9	17¼	17.19
Sweden 8¾ 91	†0¼	†97¾	98¼	18/10	18¾	18.03
TVO Pwr. 9 91 (0-lock)	0¼	96¼	96⅞	24/5	15.31	15.85
Williams & Glyn 5¾ 91	0¼	100	100½	14/8	18½	18.45
Bq. E. d'Alg. 4¾ 89 SF	0¼	87¼	88	18/6	6.69	7.82

Average price changes . On day +0¼ on week +0¼

NOTES CONVERTIBLE	Spread Cnv.	Bid Cnv.	Offer	C.dte Chg.	C.cpn	C.yld
AG. Akt'bolag 7¾ 89	10/79	145	†108½	109½	+0½	−12.58
Ajinomoto 7¾ 95	2/80	618	95¼	96¼	−0½	−0.61
Aleo Int. Fin. 9½ 94	1/80	40	†88	89½	+0¾	35.24
Asahi Optical 7 94	11/79	805	†92	93	−0¾	15.47
Canon 6¾ 94	8/79	570	99	100	+0¼	−1.56
Ciba-Geigy O/S F. 4 94	9/79	675	†74	76	+1½	2.17
Credit Suisse 4¾ 93	10/79	1325	98½	100½	+0¼	3.06
Daiei Inc. 6½ 94	11/79	1090	94¼	95¼	−0¼	41.67
Enserch Fin. 9¾ 94	7/80	[illegible]	†104	105¼	+0¾	8.36
LPC Internatnl. 6 89	9/79	[illegible]	†95	96½	0	31.40
Maidensha Elec. 7 94	12/79	210	†92¼	94¼	−0¼	11.85
Mitsubishi Cp. 6½ 94	10/79	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nippon Seiko 7¾ 94	12/79	[illegible]	[illegible]	[illegible]	−1	−0.31
Nitto Elec. Ind. 6 94	7/79	795	†70	71½	−0¾	[illegible]
Toshiba Cpn. 7¾ 94	10/79	198	94¼	94¼	0	2.36
Union Bk. Switz. 5 89	2/80	126	96	98	+1½	[illegible]
Fujitsu 5 84 DM	7/79	675	95¼	96¼	0	11.10
Kenemi Elec. 4 84 DM	4/79	1734	86	87	0	61.61
Tokyu Ld. Cp. 4 86 DM	4/79	493	75½	76½	0	45.77
Uny Co. 6½ 85 DM	11/79	1071	90⅞	91¼	+0½	49.17

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate († three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

AMERICAN QUARTERLIES

AMERICAN GENERAL INSURANCE	1980	1979
First quarter	$	$
Net profits	40.1m	37.6m
Net per share	1.58	1.56

CURTISS-WRIGHT	1980	1979
First quarter	$	$
Revenue	111.3m	92.6m
Net profits	14.69m	6.28m
Net per share	1.77	0.75

DOMINION BRIDGE	1980	1979
First quarter	$	$
Revenue	214m	206m
Net profits	12m	8.9m
Net per share	0.45	0.42

DOMTAR	1980	1979
First quarter	$	$
Revenue	421.2m	354.5m
Net profits	29.1m	22m
Net per share	1.94	1.48

EMERY AIR FREIGHT	1980	1979
First quarter	$	$
Revenue	137.9m	120.5m
Net profits	5.86m	5.69m
Net per share	0.38	0.37

FLEMING COMPANIES	1980	1979
First quarter	$	$
Revenue	835.6m	739.4m
Net profits	5.77m	4.8m
Net per share	0.91	0.74

GREYHOUND	1980	1979
First quarter	$	$
Revenue	1.1bn	1.1bn
Net profits	12.1m	9.5m
Net per share	0.27	0.22

HARCOURT BRACE JOVANOVICH	1980	1979
First quarter	$	$
Revenue	93.04m	83m
Net profits	†3.01m	†2.96m
Net per share	†0.69	†0.68
†Loss		

WALTER E. HELLER	1980	1979
First quarter	$	$
Revenue	184.1m	134.5m
Net profits	3.79m	8.62m
Net per share	0.82	0.73

MARYLAND CUP	1980	1979
Second quarter	$	$
Revenue	130.35m	105.7m
Net profits	3.18m	2.82m
Net per share	0.47	0.42
Six Months		
Revenue	242.8m	200.97m
Net profits	6.77m	11.24m
Net per share	0.86	1.68

NEW YORK TIMES	1980	1979
First quarter	$	$
Revenue	170.4m	145.1m
Net profits	10.85m	7.64m
Net per share	0.90	0.64

READING AND BATES	1980	1979
First quarter	$	$
Revenue	78.5m	55.4m
Net profits	13.53m	5.74m
Net per share	1.13	0.48

SUPERIOR OIL	1980	1979
First quarter	$	$
Revenue	330.3m	219.2m
Net profits	68.4m	40.3m
Net per share	2.72	2.01

UNION CARBIDE CANADA	1980	1979
First quarter	$	$
Revenue	202.8m	152.1m
Net profits	23.08m	8.42m
Net per share	2.19	0.75

WARNER-LAMBERT	1980	1979
First quarter	$	$
Revenue	840.1m	764.8m
Net profits	60.9m	57.22m
Net per share	0.76	0.72

WILLIAMS COMPANIES	1980	1979
First quarter	$	$
Revenue	479.3m	422.1m
Net profits	35.12m	7.44m
Net per share	1.29	0.27

INTERNATIONAL CAPITAL MARKETS

Choice of terms for Venezuela

BY PETER MONTAGNON

VENEZUELA'S MAMMOTH $1.5bn to $1.8bn *credit* is beginning to take shape. Besides Citibank, which is coordinating the operation, 16 other *international banks* have sgreed in principle to underwrite $100m apiece.

They are understood to have offered Venezuela a choice of terms—either an eight year credit at a flat margin of ⅝ per cent throughout or a seven year credit with a split margin of ½ and ⅝. Venezuela bas yet formally to decide which of the two options it will choose.

Moanwbilo the banks are to bold a managers meeting in New York next Tuesday to discuss placement strategy for the operation. The 16 are Bank of America, Cbemical, Westdeutsche Landesbank, Deutsche Bank, Bayerische Landesbank, Dresdner Bank, Ste Generale, Credit Lyonnais, BNP, Amro Bank, Algemeno Bank Nederland, Bank of Nova Scotia, Toronto Dominion, Canadian Imperial Bank of Commerce, National Westminster and Barclays.

About three other banks may also join the credit which is to he nsed to consolidate *Venezuela's short-term* debt. The country does not basically need new money at present because of increased revenues from the bigher oil price.

Initially it was seeking a credit of some $1.5bn with a view to raising the amount if possible. However the maximum remains $1.8bn because this is tho limit of congressional approval for raising such funds.

The credit is being described as a "*syndicated note facility*" rather than a straigbt credit. The loan documentation is expected to incorporate a novel structure along these lines, but details are not being disclosed for the time being.

Eurodollar bonds higher

BY FRANCIS GHILES

WITH MOST of continental Europe closed for a long weekend, activity in the Eurobond market was lower yesterday than earlier in the week. However, following the good mood in the New York bond market on Wednesday, dealers marked prices of straight dollar bonds up hy around ⅝ of a point yesterday.

Some recent issues where thero bas been a shortage of paper because of strong investor demand moved up by more than average. The 12⅝ per cent bond to 1985 for SNCF was qooted at 102-102½ yesterday, a 1¼ point rise on the day. The latest issue for Sweden, which closed at 105½-107½ yesterday, posted a gain of between ⅝ and ¾ of a point on the day.

Swiss engineer back to profit

BY JOHN WICKS IN ZURICH

A MARKED improvement in sales and earnings is reported by Georg Fischer, the Swiss engineer. Group turnover rose to SwFr 1.54bn ($924m) after falling sharply in 1978 to SwFr 1.28bn. Profits after tax reached SwFr 12m following a 1978 loss of SwFr 8m.

The parent company recorded improved net earnings of SwFr 10.6m compared with SwFr 6.46m in the previous year. The board recommends payment for 1979 of an unchanged 5 per cent dividend.

Dr. Robert Lang, chairman, said tbat corporate targets for 1979 bad been reached, although profitability would still have to be substantially improved. He added that an adequate earnings level would be a gronp cashflow of SwFr 100m or more: in 1979, cashflow was SwFr 72m.

Last year, the Georg Fischer group showed a large rise in the valne of new orders from SwFr 1.29bn to SwFr 1.83bn. The business profited from generally higber investment levels oo international markets and from the stabilisation of the Swiss franc.

In the first quarter of this year, on hand rose 36 per cent from a year earlier. Turnover increased 10 per cent from January-March last year, wbich the company sees as "a positive sign for 1980 as a wbole."

Last year, investment in fixed assets rose from SwFr 50m to SwFr 56m, and expenditure on participations increased from SwFr 8m to SwFr 27m. At the start of the year, the company acquired controlled of the Swiss engineering and warehouse equipping group Buss, adding SwFr 170m to annual turnover.

Georg Fischer also entered into a 50-50 joint venture agreement with Ley's Foundries and Engineering of the UK and bought a 30 per cent stake in New Haven Foundry, of New Haven, Michigan, in the U.S.

WEST GERMAN CHEMICAL INDUSTRY

Sharp gains give Hoechst peak year

BY KEVIN DONE IN FRANKFURT

HOECHST, West Germany's largest chemical company, bad a record year in 1979 with group pre-tax profits rising to DM 1.76bn ($1bn), an increase of 40 per cent over the previous year and narrowly ahead of the boom year of 1974.

The combination of ihgher prices and still rising demand in the world's major chemical markets bas given a further boost to activity in the first thre months of 1980. Hoechst pushed up its sales 23.8 per cent worldwide and parent company profits jumped 62.7 per cent compared with the first quarter of 1979.

Professor Rolf Sammet, executive cbairman of Hoechst, said the company was still holding to its cautious forecast of 3 per cent growth in sales volume for the wbole of 1980, but in the first quarter, at least, thes ales volume of the parent company was 8 per cent ahead of the average for last year.

The first quarter's results for this year look particularly strong because the first three months of 1979 were Hoechst's weakest period last year.

Price increases implemented in 1979, largely as a result of the dramatic climb in feedstock and energy prices, began to take effect in the second quarter of 1979.

Hoechst group sales in the first three months of 1980 rose 13.6 per cent and parent group profits increased 38.3 per cent to DM 314m from the 1979 quarterly average.

The biggest impetus in the first quarter was foreign demand. Hoechst sales outside West Germany jumped 28 per cent compared with the first three months of 1979, while domestic sales were up 16.2 per cent. Group sales worldwide totalled DM 7.69bn.

The group's mucb improved profitability has been helped by the highar sales volumes in major markets allowing Hoechst to operate most of its plants at improved levels. Capacity use rose to 85 per cent in the first quarter from 82 per cent in 1979 and 77 per cent in 1978.

Of Hoechst sales, worldwide last year of DM 27bn—an increase of 11.9 per cent over 1978—67 per cent were German-made goods, and 33 per cent from foreign production.

Increased sales volume and further rationalisation allowed Hoechst's fibres division to return to a small profit for the first time for several years. Most sectora sales increased substantially last year with the exception of Hoechst's process plant engineering subsidiary, Uhde. Pharmaceuticals now account for 16 per cent of turnover, plastics and waxes for 10 per cent and fibres and paints eacb for 8 per cent.

Hoechst group capital expenditure rose to DM 1.6bn last year compared with DM 1.46bn in 1978 and a similar increase is expected this year to between DM 1.7bn and DM 1.8bn.

The major reason for the higher spending is increased capital expenditure on foreign plants with the major emphasis coming on the U.S. At Bayport, Texas, Hoechst will commission two major new plants after this year, a 410,000-tonnes-a-year styrene monomer plant and a 100,000-tonnes-a-year high density polyethylene plant.

Grundig suffers turnover decline

BY OUR FRANKFURT STAFF

GRUNDIG, the West German electricals group, suffered a 6 per cent drop in sales in the year ended March, 1980 to DM 2.75bn ($1.53bn).

Althougb it bas survived the fierce competition and cut prices that have dominated the European market for televisions, radios and stereos better than most prodncers, it it has been unable to increase its turnover in tha last 12 months.

It has been bardest hit in the domestic West German market, which is falling increasingly into Japanes bands. The share of sales derived from foreign markets rose to 53.8 per cent last year compared with 49.3 per ceot in 1978-79.

Sales of the parent company fell 9 per cent to DM 2.24bn. The main reason for the fall was declining prices rather than a drop in volume sales with the major impact felt in sales of colour television sets and video-recorders.

Tha lower sales revenne bas clearly hit profits hard, but according to Herr Hans-Heinricb Firnges, the financial director, the group did not drop into losses in any sectors.

The group, which is still expecting a "positive result" in the current year, has carried out further steps to cut back its workforce in an attempt to reduce operating costs.

Apart from the closure of a plant in France at Fleurance—caused by the loss of the Iranian market—the workforce was reduced by a further 4.8 per cent last year to 37,100 and a similar fall is expected this year.

Falling turnover from colour television and car radio sales, sbonld at least in part be compensated by higher demand for video recorders, said Grundig. By 1981 Grundig and its partners in video recorder manufacture, chiefly Philips, are aiming to capture about 50 per cent of the Weat German market. An estimated 190,000 sets were sold in total in the Federal Republic last year.

Referring to talks about possible forms of co-operation with Siemens—a full takeover has been the subject of earlier rumours—Herr Firnges said tbat the guiding principle bad to be the continuing Independence of the Grundig concern.

Estel sees heavier loss this year

By Our Financial Staff

HEAVIER losses are forecast for 1980 by Estel, the Dutch-Garman steelmaker, as costs rise and demand slackens.

Last year the company reduced its deficit by 40 per cent but this year bas started with poor export prospects, notably in the U.S., and sharp increases in the cost of energy.

Mr. Jan D. Hooglandt, board chairman, said some relief is seeo over the long term, however, as maasures to modernise plants and reduce capacity relieve cost pressures. In 1980 Estel bopes its volume of productioo can exceed the European Community average.

Last year Estel's crude steel production increased 10 per cent t o11.5m tonnes against a rise of 5.6 per cent for the Community and only 4 per cent worldwide. Estel's crude steel exports to the U.S. amounted to 800,000 tonnes in 1979 or 8 per cent of the group's turnover. This export level is expected to declina 20 per cent this year due to the impact of first U.S. trigger prices and then dumping complaints.

In 1979 Estel incurred a net loss of Fl 173.7m against a loss of Fl 288.3m a year earlier. The company will again pass its dividend. Before tax a loss of Fl 119.9m was recorded compared with a loss of Fl 246.9m in 1978. All divisions contributed to this olss. Turnover rose 19 per cent to Fl 13bn.

Increased earnings at Tampella

BY LANCE KEYWORTH IN HELSINKI

TAMPELLA, the privately-owned Finnisb conglomerate with engineering, forest products, textile and power production interests, said that its operational result for fiscal 1979 was "close to satisfactory."

It was only the lag in the inflow of new orders for the engineering division that weakened the overall result. By the end of the year, the order books of most of the company's divisions were so good that the effects of the anticipated recession later in 1980 will be relatively small.

Net earnings rose to FM 5.45m ($1.47m) from FM 3.82m in 1978, aod the dividend was increased from 6 to 9 per cent on a share capital of FM 60m. The board also decided to raise the share capital in the current year to FM 90m. Investment expenditure, at FM 180m in 1979, is budgeted at FM 154m in the current year.

Tampella has emerged from a period of streamlining into one of expansion. In 1979, it bought the U.S. bydroturbine maoufacturer James Leffel to secure a base for expansion in tbis field in North America, and the timber marketing company E. J. Nicbolls in England. It also raised the share capital of Tampella Espanola.

The parent company's net sales totalled FM 1.32bn in 1979, roughly the same as in 1978, but consolidated turnover was FM 1.65bn, against FM 1.58bn in 1978.

The outlook for 1980 is good. The engineering division's order books grew by over balf to FM 634m in 1979.

* * *

RAUTARUUKKI OY, the Finnish integrated iron and steel works in which the state has a majority interest, improved its sales and profit in fiscal 1979 for the second year in succession. Mr. Helge Haavisto, managing director, gave three reasons for the company's good performance

Domestic demand for steel plate and sheet rose steeply, and the company took 80-90 per cent of the market. Secondly, the company's plant is relatively new and thus of high technological standard. Finally, production capacity was fully utilised and profitability improved.

Audi increases sales volume

By Our Frankfurt Correspondent

AUDI NSU AUTO UNION, the Volkswagen subsidiary, increased volume sales in the first three months of the year by 3 per cent to 96,149 vehicles and pushed up sales 10.9 per cent to DM 1.5bn ($833m) despite the general fall in demand in the West German car market.

Sales last year rose 14.7 per cent to DM 5.2bn wbile net profit rose to DM 83.5m. Sales 1978 were DM 4.51bn and profit DM 57m.

Falling sales of its larger Audi 100 model have so far been compensated for by higher sales of the Audi 80, and according to VW, no short-time working is likely to be necessary this year.

Other major manufacturers of larger models around the two-litre class, such as Opel and Ford have been forced to introduce periods of short-time working since demand began to fall in the second half of last year.

Audi is launching a major investment programme aimed chiefly at rationalising and modernising its assembly plants at Ingolstadt and Neckarsulm. Up to 1983 investment is likely to total DM 1.7bn, with spending this year of some DM 350m.

Wereldhave to raise $65m

By Our Financial Staff

WERELDHAVE, the Dutcb property group, is to form a new company in the U.S. into which it will pump some $65m of newly raised finance.

The Dutch group, whicb in 1978 bid unsuccessfully for Englisb Property Corp., is to set up an investment trust called West World Holdings which will handle all Wereldhave's U.S. property operations.

Subsequently West World is to receive $65m of new funds wbich Wereldhave plans to raise in Holland via an issue of shares to existing sharebolders as well as banks and other institutions.

About 6,500 new shares in West World are to he offered at $10,000 eacb. At the end of last year tbe Wereldhave group investments totalled Fl 950m ($475m) of which around a fifth were in the U.S.

Improved margins lift income at Irish Press

BY STEWART DALBY IN DUBLIN

THE IRISH PRESS, one of Ireland's three main newspaper groups, achieved a large rise in pre-tax profits in 1979. Although turnover rose only 16 per cent, pre-tax profits increased 51 per cent to Irisb £1.2m ($2.4m).

The rise reflected the general buoyancy of the Irish economy in a year when advertising increased substantially.

The company also acquired during the year Corduff Investments and a corn exchange property which it owns. According to the acconnts, the total cost was Irisb £866,000.

Tha property acquisition was seen as necessary to overcome the problems affecting the development of premises adjoining the current Irish Times buildings on tbe River Liffey.

However, according to tha cbairman's statement, the acquisition "affords the opportunity to augment revenues and strengthen the financial basis of the group."

Sales of the three group newspapers all improved during 1979. Average daily sales for the Evening Press were 170,705, and the Sunday Press 390,847.

● ARAN ENERGY, the Irisb oil exploration group which is involved in a consortium with BP, expects BP to start drilling a new test well in the Porcupine Basin in the Atlantic in late June or early July.

This emerged from Aran's annual meeting, and follows the most promising discovery yet by this group. Last summer, BP did a test well in block 26/28 off the west coast of Ireland, and the well produced an aggregate flow rate of 5,589 barels per day of good quality oil.

WIENERWALD

Heading off the fast foods challenge

BY JOHN WICKS IN ZURICH

After expanding rapidly in the U.S. in recent years the Wienerwald catering group is once again turning its attention to Europe.

TWENTY-FIVE YEARS ago an Austrian waiter and bis wife took over one of Munich's least promising premises. In the sbort post-war period, five tenants bad failed to make "Angela's Weinstuben" pay. But Herr Friedrich Jahn succeeded spectacularty. From the little wine bar without a kitcben, he built up the Wienerwald group as one of the world's largest restaurant chains.

His success story is a classic among modern self-made businessmen. The start could not bave been more modest—with chicken broth made by wife Hermine on a bot plate behind the counter, a name cbange to "Linzer Stüberl" in bonour of Herr Jabn's home town and a corresponding smak of Austrian atmospbere from vine-leaf garlands and a gramophone playing Tales from the Vienna Woods. Soon customers were offered boiled chicken at DM 2 a quarter. Hours of opening were from 11 am to 3 am.

The Jahn idea of "white meat and white wine" came exactly at bte right time, particularly when be added the local favourite Brathndl (roast chicken). By 1955 the public was feeling like eating something special at a time when the U.S. began to ship large quantities of cheap chicken into the European market. Herr Jahn was soon able to stop his daily bicycle ride to the Viktualienmarkt to buy cheap poultry towards the end of the morning's trade.

Although Wienerwald — the Jahns soon re-named their first restaurant after the Vienna Woods—is by no means committed to only roast chicken. It was the Brathendl idea whicb laid the basisf or today's $850m catering empire.

After a few years of enormous success in Germany, Wienerwald apread both to otbar countries and to other types of operation. By 1964 Wienerwald had become Europe's biggest catering concern, with brancbs in Belgium, Austria, Holland and Switzerland, as well as opening its first restaurants in New York; a cbain of hotels had joined the restaurants.

Recently major diversification has been by large acquisitions in the U.S. Herr Jabn, who had realised that he woutd have to use American methods to gain a decent foothold in the U.S., bought up the 273-bouae Lums Restaurant Corporation of Miami and the affiliated 16 Ranch House restaurants in 1978. Last year he followed this by acquiring control of Hollywood-based International House of Pancakes (IHOP) with almost 500 outlets.

These purchases have meant that the U.S. has outgrown Germany as the biggest market for Wienerwald, at least in restaurant terms. Apart from the Lums aod IHOP chains, the group owns the 19 coffee shops of the IHOP associate, Copper Penny and IHOP's 54 Love's Wood Pit barhecue restaurants, as well as four Wienerwald restaurants.

Outside the restaurant business, one of the major efforts of Wienerwald has gone into the expansion of a 49-hotel chain, ten of which bear the name Tourotel. Some 28 hotels are in Germany and seven in Austria, the remainder to Switzerland, Liecbtenstein, Spain, Hollaod, Italy, the U.S. and Namibia.

He does not believe in settling down and relaxing now that the group is heading for a 1980 turnover of DM 2bn ($1.1bn).

Wienerwald hopes to expand more in Germany. It obviously feels thatthere is room for more than the 437 Wienerwald restaurants (out of a worldwide 1,420) in the Federal Republic, despite the grnwing competitinn from the American fast-food groups like MacDonalds.

INTL. COMPANIES & FINANCE

Slowdown in earnings at Australian Guarantee

BY JAMES FORTH IN SYDNEY

AUSTRALIAN GUARANTEE Corporation (AGC), Australia's largest finance company, experienced a slowdown in earnings growth in the half-eay to March, reflecting a higher cost of funds and problems in the competitive motor vehicle lending area. The group profit of AGC, which is 76.7 per cent owned by the Bank of New South Wales, rose 7.1 per cent, from A$25.7 to A$27.5m (US$30.6bn).

This is below the 14 per cent increase recorded in the first half of 1978-79, which itself represented a slowdown on previous years, in which AGC contributed the major growth in the Wales earnings. But the Wales' banking division improvad sharply last year, aided by higher interest rate margins and a fall in the average cost of funds, and enabled the Wales to hoost profit for the year to September by 40 per ceot, to A$107m. The Wales is due to announce its earnings soon for the March half.

The directors of AGC said there would be little improvement in the second half because of stagnation in the motor industry, further interest rate increases, and continuing competition in the finance and insurance markets.

The interim dividend of 4.375 cents a share is up on the previous 3.75 cents, but is in line with the higher final paid last year, and establisbes an annual rate of 9.75 cents a share. The directors said the group maintained its overall market share of finance industry receivables. Leasing continned to show the stroogest growth rate, and some encouraging increases had been achieved in property loans. But consumer lending associated with motor vehicles bad not increased over the past six months.

Profit growth had not kept pace with the increase in receivables dne to several adverse factors currently affecting the finance industry. Losses and provisions arising from lending related to motor vehicles had increased, and inteose competition had prevented the full recovery of increased borrowing costs.

Bad debts written off edged up from A$6.5m to $A7m, and the doubtful debts provision was np from A$2.8m to A$4m, mainly for overdne accounts involving car purchases. At the end of March the accumulated gronp provision for doubtful debts totalled A$27.5m.

Capel Court values Clifton on two levels

BY OUR SYDNEY CORRESPONDENT

THE DIRECTORS of Clifton Brick Holdings have rejected the A$1.65 a share casb bid from Monier, the building products group, as inadequate, although the merchant bank appointed as an independent adviser beliaves that the shares are unlikely to reach this price on the share market in the near future.

Capel Court Corporation, in which the Midland Bank of the UK has a substantial interest, through Montague Trust, was appointed by the Clifton board to undertake a detailed evalnation of Clifton and to advise their recommendation to shareholders. The directors bave already advised that a group of shareholders owning 41.6 per cent of the capital, principally the Angliss family, intend to reject the bid.

Capel said it considered there were two values attributable to Clifton shares—the first was a price for a controlling shareholding, the "control value" and the second was a price for a shareholding representing no more than a portfolio investment, the "investment value." Capel concluded that the offer price is "reasonable" on an investment value basis, but not adequate for acquisition of control.

Capel said that, based on usual investment criteria and in the absence of a takeover bid, or a substantial improvement in Clifton earnings, a shareholder could not expect the value of Clifton shares to reach A$1.65 in the near future. Capel also sai dthat although Clifton's future profits conld increase substantially, it considered that current earnings would not support a market price of A$1.65 based on historical price-earnings multiples.

Capel also noted that, if assets were revealed, the net tangible asset backing of Clifton shares would increase from A$1 a share to $A1.23. Bnt Capel decided that the value of Clifton to a potnetial acquirer was well in excess of A$1.65, and shareholders whose holdings together reasonably expect a higher price in a takeover situation than that offered by Monier.

Pioneer Sugar finances expansion

By Our Sydney Correspondent

PIONEER SUGAR MILLS plans to cover its recent expansion with a A$14.2m (US$15.6m) raising of capital involving a rights issue and an institutional placement. Shareholders will be asked to put up A$6.4m through the rights issue on a one-for-10 basis. The new shares have been offered at A$2 a share, compared with a market price in Sydney before the announcement of A$2.72.

At this level the rights have a theoretical value of about 65 cents. Pioneer is also arranging a private placement of np to 2.9m shares at A$2.70 each, to raise A$7.8m. The placement will be bandled by the merchant bank BT Australia, and these shares will also participate in the rights issue.

Shares from the placement will receive the final dividend for the recently completed year to March 31. Shares from the rights issue will not receive the final dividend, hut will rank fully for 1980-81 payments. The directors forecast an annual dividend rate of 11 cents a share on the increased capital.

This compares with a dividend of 7.5 cents a share paid last year.

El Al sees further deficit

BY L. DANIEL IN TEL AVIV

EL AL Israel Airlines, the national carrier exepects to show a loss of $80m for 1979-80. Last November, the Government appointed the head of the Manufacturers Association, Mr. A. Shavit, to reorganise the company, threatening to close it down unless it managed to balance its budget. However, there appears to be no intention now of closing down the airline.

It appears that despite a 28 per cent cutback in staff during the past three months—partly as a result of the shntdown of foreign offices, partly by offering increased severance pay to those retiring voluntarily, and with some dismissals—the company will have a deficit of between $23m and $33m in 1980-81, according to its own calculations.

Treasury experts put the figure nearer to $50m. The differnce depends on the price El Al can obtain for three Boeings it intends to sell off.

Cycle and Carriage gain

BY KATHRYN DAVIES IN SINGAPORE

CYCLE AND CARRIAGE (C and C), the motor group has reported, pre-tax profits np by six per cent, from S$24.6m to S$39.3m (U.S.$17.9m) for the six months to March 31. Reflecting the buoyant car market and the success of C and C's Mitsubish Lancer 1400 series, turnover increased from S$197m to almost S$310m (U.S.$141.6m).

Pre-tax profit attributable to C and C shareholders came to S$46.3m—almost donhle the S$23.6m of the previous six-month period. The directors are recommending an interim dividend of 10 per cent, compared with seven per cent last year.

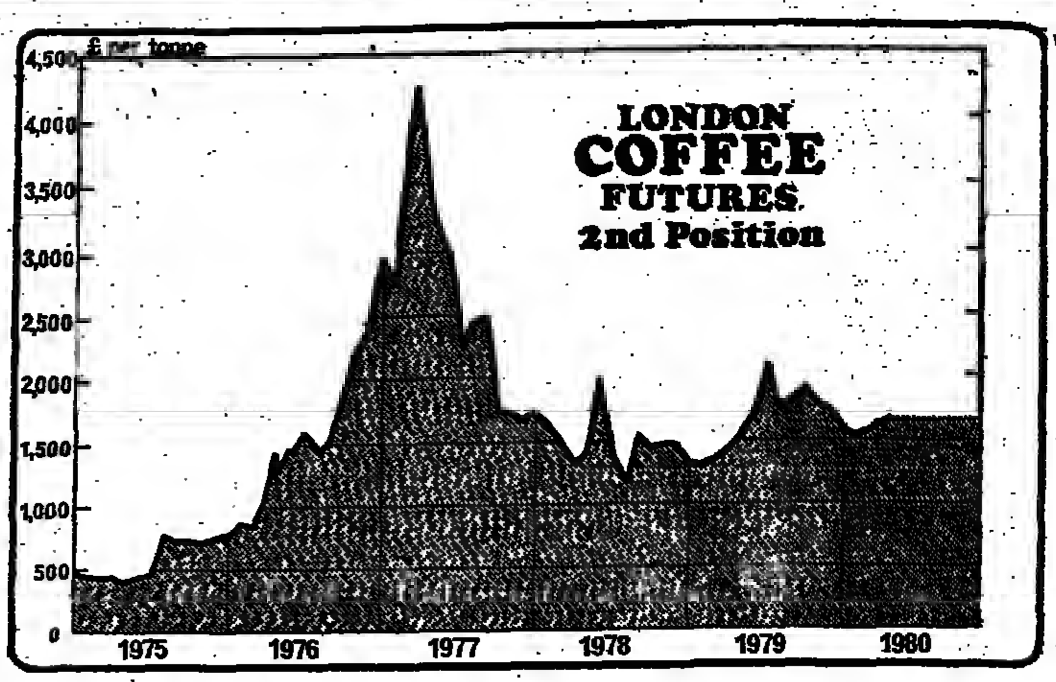
Because of swingeing tax increases on new cars, recently imposed by the Singapore government, C and C expects group profit for the second half to be lower than in the first, bnt overall results are likely to be higher than in 1979.

FINANCIAL TIMES SURVEY

Friday May 2 1980

Coffee

Coffee still holds it place among the world's leading soft beverages, but price fluctuations in recent years have threatened its tenure. Concerted efforts are being made to render its position more secure.



Bid to create settled market

By John Edwards

Commodities Editor

COFFEE HAS been the subject of considerable controversy in recent years. It was thrust into the limelight after the notorious Brazilian frost in July 1975 brought a world shortage of supplies and soaring prices as a result.

Reaction from housewives gave the coffee industry a severe shock. Demand plunged in a manner not experienced before. Previously it had been generally accepted that coffee was relatively price "inelastic"; in other words consumption was not normally as affected by price changes as with similar commodities, notably cocoa and sugar.

Demand was particularly badly hit in the U.S., where a great deal of publicity was given to the rise in prices and where in any event coffee had been under competitive pressure from other beverages.

The underlying popularity of coffee has subsequently been demonstrated, however, by an equally remarkable recovery in demand. Lost sales bave been recaptured to a large extent and in some cases, notably Britain, the growth in demand for coffee bas been resumed.

Nevertheless, there is some concern about tbe future, especially in the U.S. and other developed markets where coffee is already the leading beverage and therefore vulnerable to competition. In Britain tea remains the leader even though coffee is catching up fast. Working in favour of coffee is its convenieoce, particularly for selling via vending machines.

But working against it and raising doubts in the minds of retailers and housewives, is the erratic price behaviour in recent years and the cmnstant threat of major frost damage in Brazil once again creating a scarcity of supplies.

On the last occasion in 1975 the impact of the big cutback in Brazilian production was lessened for a period by the use of surplus stocks. But setbacks in various other key production areas in Africa and South America coming at the same time aggravated the supply situation and brought the surge in prices to record levels. Some roasters claim, with hindsight, that there never was a real scarcity of coffee; there was simply a sharp drawing down of stocks that had previously kept prices at lower levels.

Hoarding—first by the trade and then by housewives — further distorted market behaviour giving an apparent boost to consumption immediately after the frost and then artificially depressing demand in the subsequent years.

Restored

More normal conditions bave now ben restored, despite minor frosts in Brazil during 1978 and 1979. Increased production bas enabled another build-up of stocks and brought prices back to more reasonable levels for consumers, even though producing countries are making considerable efforts to stop the market falling too low.

The so-called Bogota Fund, formed by leading South American coffee producers, is playing an important role in attempting to stabilise market prices by a policy of support buying when values threaten to decline too far. The Fund also sells when the opportunity arises, and the market is strong. This helps avoid tha expenditure of too much money and carrying costly stocks.

The Fund was greatly helped when the early frost in Brazil during late May of 1979 provided it with a substantial windfali profit when prices suddenly sbnt up. Subsequently, however, the Fund has had to spend a great deal of money attempting to prop up a market where prices are under constant pressure as a result of an overabnndance of supplies and fierce competition amongst the leading producers to retain, or en large, their sales.

Market traders believe the Fund cannot win in the long run, unless there is another crop disaster, but they are quite happy in the meantime to handle the extra business provided.

In the industry, however, there are far graver doubts ahont the activities of the Fund. For a start it has aroused considerable resentment in the U.S., where it is claimed that the producers are manipulating prices in their favour and distorting free market forces that would normally regulate supply and demand patterns.

The U.S. Government, prodded by complaints from consumers about coffee pricea being maintained at an artificially high level, has already taken action to investigate pro-
coffee futures market.
ducer dealings in tha New York

In addition, the nnilateral action by coffee producers has undermined cn-nperation between exporting and importing member countries of the International Coffee Agreement. Consumers argue that if the pact is to work then they should bave a say in any price-support measures. Producers, bowever, claim that consuming countries bave not been prepared to co-operate in maintaining prices at "reasonable" levels and they have therefore heen forced to take action by themselves. At the moment the International Coffee Agreement has little control over the market because of the differing attitude of its members and there is little sign on the horizon of anything to hreak this impasse.

But although the Agreement is not able to act on prices and supplies, it is taking a positive role in attempting to hoost world consumption of coffee—a matter of great importance for both exporters and importars. While it is true that demand for coffee haa recovered strongly from the setbacks auffered in 1976 and 1977, there is considerable concern about the longer term prospects in the U.S., by far the world'a hlggest consumer, and in other developed markets.

Earnings

A special Promotion Fund is launching generic advertising campaigns, as well as organising research into consumer trends, to try and reverse any downward trend. But it is recognised that much of the success of these campaigns depends on the market being reasonably stable. For developing countries, many of which rely on coffee as a major source of export earnings, it is obviously important that they bave an expanding, rather than contracting, market to sell their product.

They are well aware that no one has to drink coffee; it is a matter of choice whicb depends on the attractiveness of the product compared with rival beverages. It is also a renewable resource. So any cartel is not likely to have the same influence as OPEC has for oil.

Nevertheless the cost of prodncing coffee is rising just like so many other raw materials or agricultural crops. Low prices might stimolate consumption for a perlod, but they would almost certainly discourage production, creating at tha same time the kind of supply shortages that do any more harm to demand.

Hanging over the market all the time is the possihility of a frost in Brazil suddenly transforming the supply-demand picture. The Brazilians have made great efforts to move coffee production more into frost-free areas and away from the State of Parana, which is most vulnerable. But it is not easy. The knowledge, expertise and established structure in the area, which was originally chosen because of its normal suitability for coffee growing, is valuable and difficult to transfer.

Moreover, tha 1979 frost was centred mainly in the so-called "safe" area in the State of Minas Gerais, where coffe production has been encouraged to expand since it is supposed to be frost-free. This could be an ominous portent for the future.

Another threat is the spread of coffee rust disease in South America, despite streouous efforts to check it. Coffee rust was the disease that wiped out the Ceylon (now Sri Lanka) industry in the past—bringing a switch to tea growing. Although agricultural methods and chemicals have greatly reduced the dangers from diseases of this kind, coffee rust could hit production, particularly if growers did not consider it worthwhile spending money on defensive measures.

In this changing and unsettled world, bowevar, such uncertainties must affect coffee as mucb as, if not more than, many other primary industries. It is a commodity produced almost entirely in developing countries and cmsumed tn a great extent in the industrialised countries. So in addition to the doubts about future supply and demand prospects about inflation, world trade and must be added the uncertainties political attitudes.

Relaunch of arabica futures market

LAST MONTH saw an unsual event; a futures market for arabica coffee was relaunched. previous attempt to start arahica futures trading in London ended in failure because of lack of interest. But now it is considered worth having annther try.

There are two basic reasons behind the decision to try again with arabica futures trading. One is the lifting of foreign exchange controls hy the British Government last year, which enables unrestricted trading in a dollar contract—and it is considered arabica can only be dealt with in dollars since it is deal tin that currency in international trade. It was claimed that a prime reason for the collapse of tha first attempt was because the dollar contract excluded private JK speculative participation.

How important a factor this ls remains to be seen. But certainly the lifting of cumbersome foreign exchange restrictions is a useful benefit both to private speculators and the trade.

The second basic reason for launching the market, bowever, is the situation in the present leading arabica futures contract in New York. All U.S. futures markets are being surrounded with more and more curbs and regulatinns as the Commodity Futures Trading Commission (CFTC) seeks to exercise control. The activities of Nelson Bunker Hunt and aasociates in the gold and silver markets bas given the CFTC an ideal opportunity to press its case for tighter regulations.

Disclosure

The controversial measure insisting that "foreign" traders operating nn the U.S. futures markets must provide full disclosure of their clients is now being pushed through. This means that it will be difficult, if not impossible, for traders to operate on the same confidential terms as in the past—a cornerstone in the relationahip with cllents in the view of many European dealers.

In fact tbe New York coffee futures market is particularly involved with the dispute over "foreign" trade reporting demanded by the CFTC. In the wake of the coffee crisis in the U.S. after the 1975 Brazilian frost it was claimed that the producers' Bogota Fund was using the futures market to keep coffee prices at artificially high levels. A special investigation was launched into allegations that dealers acting on behalf of the Bogota Fund bad "squeezed" futures priees bigher by insisting on taking delivery of physical coffee from the market and thereby restricting supplies available. A somewhat similar technique to that used by Bunker Hunt in the silver market.

The investigation involved questioning several overseas traders about their dealings on the market, but some companies said they could not provide confidential details of this kind. After an abortive attempt to take legal action against the Swiss subsidiary of a British-based group (Guinness Peat) the CFTC is now threatening a London coffee dealer who refused to show the Commission his "books."

This wrangling, and fears of more restrictions to come, has made traders apprehensive about

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COFFEE II

Output near normal by next year

ANY STUDY of the world coffee supply situation must focus initially on 1975, for that was the year when a position of chronic over-supply was transformed overnight into one of extreme tightness. The culprit was Brazil's killer front which struck on the night of July 19 wiping out most of the country's 1976 crop and blighting production prospects for years to come.

Brazil's coffee industry has still not fully recovered from the blow. Latest forecasts put the 1980 crop at a little under 22m bags (60 kilos each), well below the 27m bags which had been forecast for 1976 before the frost struck. World output, which had been projected at about 82m bags for 1976—the actual outturn was about 58m—is expected to reach only 79.5m this year.

Barring eccidents (like another severe frost) Brazilian and world production is likely to be back to normal in 1981. But the ample stocks which were held before 1975 have virtually disappeared.

In 1975 the Brazilian Coffee Institute (IBC), the body which ocntrols coffee exports and prices, was ohlding e stock of some 35m bags. That was itself 30m bags down on the level 10 years earlier, baving been grdaually eroded by production deficits caused by depressed prices. This erosion eccelerated dramatically in 1976 and 1977, leaving an IBC stock of only 1.2m bags. The stock has recovered somewbat but is still in single figures and cannot be expected to regain its ofrmer level for many years, if ever.

All has not been plain sailing in Brazil since the 1975 frost. A severe drought in 1978 was estimated to have cut the 1979 crop by about 4m bags and another sharp frost in May 1979 knocked out about 8m bags from this year's harvest.

Neither of these setbacks compares in scale with the 1975 disaster, which wiped out about 20m bags, but they have slowed the recovery and ensured that the availability of coffee remains relatively tight.

The 1979 frost was particularly worrying because it struck hardest in the State of Minas Gerais, normally regarded as frost-free. Minas Gerais, several degrees north of the Tropic of Capricorn, was the area chosen by many coffee growers who wanted to switch their production from the more southerly states, particularly Parana, where frostsw ere striking with increasing frequency.

Deforestation

Meteorologists warned that by clearing the more northerly forests the growersm ight allow the frost belt to move north with them, and this seems ot have been the case. It has also been suggested that the drought of 1978 was linkd to deforestation.

WORLD SUPPLY AND DEMAND
(Million bags of 60 kilos each)

Grop Season Oct. 1—Sept. 31	Production	Consumption	Producer Stocks
1970-71	58.3	70.9	52.6
1971-72	71.8	76.6	47.8
1972-73	76.5	79.0	45.4
1973-74	62.5	76.2	31.7
1974-75	80.5	74.6	47.6
1975-76	73.2	74.3	36.5
1976-77	62.1	70.7	26.7
1977-78	70.1	68.0	28.8
1978-79	76.9	76.4	29.3
1979-80	78.2	76.2	31.3

Source: Inter Commodities report.

Whatever the weather situation this year, however, Brazil is confident of achieving its export target of 15m baga. Last year it sold 12m bags, but only after a late decision to offer special deals to attract buyers—previously export demand bad been decidedly sluggish.

Colombia, the second biggest producer, is expecting a crop of 12m bags, ebont 500,000 dnwn on last year but well above the depressed 8.8m of 1976. There should be nn aohrtage of coffee fro mthis quarter, therefore, but shipment problems could bold up delivaries.

Supplies from Central America are also expected to be good, though civil unrest is clouding the prospects in some countries.

In the other main producing area, Africa, the situation does not eppear so rosy. Bad weather is estimated tn have caused 20 per centc rop shortfalls in the ex-French territories of the Ivory Coast and Cameroun. Zaire's crop prospects are unclear but it seems likely there will be shipping prnblems—the same goes for Uganda. Angola, once a major force in the market, has declined to the point of insignificance as a coffee producer and what little it does manage to produce and ship goes mainly to Russia.

The weather is also believed to have seriously affected the Indonesian crop. Heavy rain has hampered barvesting and spoiled e lot of coffee. Latest estimates put the damage at aobut 20 per cent and quality could be down.

Overall production in 1980 is forecast by the International Coffee Organisation (ICO) at 79.5m bags with exportable supplies (excluding consumption in producing countries) at about 62m. The U.S. Agriculture Department, which has a good forecasting record, is slightly less optimistic, putting exportable supplies at 61.07m bags. But Hamburg traders Bernhard Rothfos believes both are far too high. Their own forecast is for an exportable supply total of 58.39m.

Even the lowest of these figures would probably be sufficient to meet demand in consuming countries. The ICO puts "disappearance" (actual usage) at 53.5m bags in 1980, 2m lower than last year.

The decline in consumption, particularly in the U.S., which was eccelerated by the rocketing prices which followed the 1975 frost, is causing serious concern in the coffee market and there has been increasing interest in the possibility of generic advertising to reverse this trend.

At the U.S. National Coffee Association convention in Baco Raton, Florida, in February, Sr. Alexandre Beltrao, executive director of the ICO, outlined the progress on this front. He said recent studies showed U.S. consumption was still running below the level in 1976, when it was measured at 2.11 cups per person per day. In 1979 the figure was 2.06 cups compared with 1.97 in 1978 and 1.94 in 1977. The peak was 3.12 cups in 1962.

The report, compiled by Data Group Inc., also showed that the percentage of the U.S. population drinking coffee was continuing to decline. In 1979 the proportion was 57.2 per cent, down from 61.6 per cent in 1975. The decline was particularly sharp in the under-30 age group, a trend Sr. Beltrao described as "disturbing."

Efforts to mount a campaign to boost U.S. consumption have been fraught with problems. A new ICO promotion fund was set up when the International Coffee Agreement wes renegotiated in 1976 and there were early discussions on launching a $9m campaign financed 50 per cent from the fund. This was prevented by the price rises of 1976 and 1977 bnt the idea was resurrected in Boca Raton last yar, by which time the projected cost had risen to $12m.

Campaign

The Netional Coffee Association was not sufficiently impressed with the results of test campaigus and the plan was once again deferred. It is still hoped, however, that the campaign will be run eventually.

Campaigns bave got off the ground in West Germany, Norway and Switzerland and one has been epproved for Belgium. At the same time exploratory work is underway for campaigns in France and Canada. Another is under consideration in Japan, but this is at a very early stage.

Richard Mooney

Growing popularity in Britain

ALTHOUGH THE British still prefer to drink tea rather than coffee, the trend is clearly towards coffee becoming the most popular beverage some time during the 1980s. In 1966, some six cups of tea were drunk to every one of coffee; now, the ratio is threa cups to one and despite efforts by the Tea Council to halt this trend, coffee continues to gain in popularity.

Yet the legacy of Britain's traditional preference for tea rather than coffee has made the UK coffee market—estimated at over £362m last year at retail prices—quite different from most other European and the U.S. markets.

The UK has, for example, the lowest per capita consumption rate for coffee—2.12 kg per head in 1978 compared with 4.85 kg in the U.S., 5.55 kg in Franca and 5.94 kg in Germany. Sweden has the highest per capita consumption in the world, with 12.11 kg in 1978.

Although such a low consumption rate is perhaps to be expected, given the popularity of tea, the British coffee drinker is also unusual in preferring instant coffee to ground coffee. Instant coffee in the UK accounts for over 90 per cent nf retail sales, compared with 45 per cent in tha U.S. and between 25 and 30 per cent in France (the highest European consumer nf instant coffee outside the UK).

Bnt not only does the British coffee consumer prefer instant coffee to ground coffee; he or she drinks mainly tha cheaper ype of spray-dried Instant coffee. In the U.S., on tha nther band, freeze-dried coffee—which ia clalmed tn give a fresher flavour—is preferred to instant coffee. Moreover, a high proportion of ins ant coffee in the UK is still sold in powered form instead of the granulated coffee which Is also considered to retein flavour bet er.

In the UK market in 1978, according to Business Monitor statistics, spray-dried instant coffee accounted for £178m of the market, while freeze dried had only £26m of sales. Decaffeinated coffee had sales of £3.8m.

Although official figures of the size of the UK market are not yet available, estimates by the Mintel market research company sugges that total retail sales in 1979 were about £362m, inclnding some £60m sales of coffae for catering purposes.

Instant coffee accounted for £226m of the market, with ground coffee taking £21.5m of sales. Coffee essence had sales of £7m, while coffee bean sales were £4.5m. The value of coffee bags sold amounted to £3m.

Declined

The trends in coffee consumption during the 1970s are shown in the National Food Survey. This shows that in 1970 some 0.42 ounces of coffee were consumed per person per week. By 1978, however, this figure had risen to 0.44 ounces. Ground coffee and coffee beans declined from 0.09 ounces in 1970 to 0.07 in 1978, while coffee essence also fell from 0.06 to 0.04 ounces.

Thus it is clear that the growth of coffee consumption has been closely linked in tha last decade with the growth of instant coffee sales.

Until the 1970s tha main brands of instant coffee were all made from pure coffee. It was not until the mid-1970s—when there was also pressure on world prices as a result of crop failure—that Nestle and others started to test coffea mixtures. In 1977 Nestle launched Nescore, a mixture of instant coffee with chicory. Nestle followed this up by launching Elevenses, a combined coffee, chicory, roasted barley and malt instant coffee which was even cheaper than Nescore.

Brooke Bond Oxo fnllowed in July 1977 with the launch of Coffee Time, while General Foods followed a year later with Brim. Bnt by this time world coffee prices bad begun to fall—which lessened the need for finding coffee substitutes.

In fact the trend in the 1980s seems to be the reverse of this move towards substitutes, since consumer preference appears to be towards a higher-priced, higher-quality product. Coffee mixtures, for example, now have about a 15 per cent share of the instant market—down from 30 per cent three years ago. At the other end of the market premium freeze-dried instant coffee is showing more rapid growth than the market as a whole, accounting for some 7 per cent of the market compared with 5 per cent a year ago.

In terms of market share the three major companies—Nestle, General Foods and Brooke Bond Oxo—have together about twn thirds of the market.

Nestle is the market leader, with some 39 per cent by value of the market. Its main brand is Nescafe, which bas some 30 per cent by value of the total instant coffee market. Nestle is also very strong in the freeze-dried top end of the market, which shows the best growth prospects. In this sector Nestle has Gold Blend and Blend 37, which account for about 4 per cent of sales. Fine Blend, its powder mixture (Nescafe is granules) has about 3 per cent of sales while Nescore and Elevenses has some 2 per cent.

General Foods is second in the market, with abont a 19 per cent market sbare by value. General Foods does not market e freeze-dried coffee in the UK, but bas its Maxwell House brand in both granules and powder. Bird's Mellow is a mild coffee, while Brim is its mixture brand.

The third major company is Brooke Bond Oxo with about a 7 per cent market share. The company's main brand is Brazilian Blend in the standard market, with Coffee Time in the mixture sector.

The remaining third of the market is accounted for by a number of smaller companies, some of which sell branded products while others sell own-label. These companies inclnde Twinings (a subsidiary of Associated British Foods), R. Paterson and Sons—which prodnces the famous Camp brand liqui dcoffee—and the Nairobi Coffee and Tea company.

One of the more eoterprising of the small-scale companies was Copak Vendona, which took advantage of the switch to coffee mixtures in 1977 by quickly bringing a coffee/chicory mixture to the market at a low price. The company's big breakthrough came when J. Sainsbury agreed to stock its coffees, and Sainsbury's has remained a major customer.

While insant coffee is the most popular form of coffee in the UK, the bean and ground coffee sector is still a sizeable market, with retail sales nf over £30m. Within these sectors there is a clear trend towards packaged coffee—which has about three-quarters of the sector—followed by loose beans and loose ground coffee with about 18 per cent, and the rest in the form of coffee bags.

Leader

The market leader in packaged coffee is Lyons Tetley, which has between 55 and 60 per cent nf the market. Its main brand is Lyons' Original Blend, which is drunk by one out of every three housewives sipping ground coffee at home.

The second major company in the packaged ground coffee sector is Sainsburys', which bas more than a fifth of the market with its nwn brand. In third place is Kenco, part of Cadbury-Typhoo. Melitta, the German company, is a rapidly growing brand. In the small market for coffee bags, the three main companies are Lyons, Kenco, and Twinnings.

Market research pnblished by Mintel shows that among consumers buying instant coffee there is a slight bias to the npper income groups and those in the Midlands and the North. Ground and bean coffee was bought by only 10 per cent of housewives in the Mintel survey and bad a strong AB social classification bias as well as a regiooal bias towards London and the South-East. Coffee essence was bought by 3 per cent of Mintels sample, mainly from among the C2 group.

The catering sector, with sales of about £60m, is divided fairly evenly betweeo instant and ground coffee. The major coffee producers in the consumer market are also involved in the catering sector.

After the price upheavals of the mid-1970s the coffee market is now returning to stability and growth prospects are clearer for the 1980s. Last year tha instant coffee market sbowed e volume increase of 14 per cent, but this year the growth is expected to be at a more usnal figure of about 5 per cent. A similar growth rate is expected over the next few years. Ground coffee is also expected to increase in popularity over the decade as the treod towards more "real" food continues. In the langer term ground coffee sales could grow at a slightly faster rate than for instant coffee.

David Churchill

Futures market

CONTINUED FROM PREVIOUS PAGE

trading in New York. Although the CFTC may have little success in legal battles with overseas traders, who are not subject to U.S. law, the Commission would be empowered to prevent them trading on the U.S. markets if it were decided this is necessary.

Freedom

So there is an obvious need for an alternative market with more freedom. It is believed that representatives of the Bogota Fund suggested that London should revive its arabica futures contract to provida an alternative trading centre, bearing in mind that the U.S. futures market appear to be turning more isolationist. The implication is that the Bogota Fund will switch more of its business to London if sufficient volume can ge generated to make the market a success.

The problem is that the established London futures market is based on a robusta coffee contract. Traditionally New York has been the trading centre for arabica coffee, since it comes mainly from South American producers and is favoured by the all-important American consumer. Arabica coffee is generally considered to be surperior in quality, with a milder taste and less caffeine. But robusta coffee is more suitable for manufacturing soluble (instant) coffee.

Since the British market is dominated by instant coffee, and robusta coffee is grown primarily in African countries with European connections, it makes sense for London to have a robusta-based contract. The question is whether the market can generate sufficient volume to support two contracts. At the moment both contracts are being traded on the same "floor," an arrangement some traders view as unsatisfactory while others claim it would be difficnlt tn justify having the markets in different places.

In any event the unsettled state of the world coffee industry and the threat to U.S. futures trading, suggest that the London market could well establish a more dominant role.

John Edwards

WORLD STOCK MARKETS

NEW YORK

Wall St. mixed at mid-session

AFTER AN INITIAL easier tone, Wall Street showed some recovery to leave a mixed picture at mid-session after another moderate business.

The Dow Jones Industrial Average, after a decline of 4.26 at 11 am, picked up to 816.04 at 1 pm, down only 1.02 on the overnight level. The NYSE All Common Index was a net 1 cent up at $60.37, after receding to $60.13. Rises outscored falls by seven-to-six after turnover of 22.94m shares, compared with Wednesday's 1 pm figure of 21.35m.

Analysts said the buoyant market effect of rapidly falling interest rates continued to be offset by fears that the recession could prove severe.

However, a credit market rally was pushing yields sharply lower again, and several major banks cut their prime rate to 18½ per cent, while one small bank went to 18¼ per cent.

President Carter said the economy had turned the corner and inflation would fall significantly during the summer.

Some Oils firmed. Volume leader Mobil added ⅞ at $73½ and Exxon, in second place, ⅞ at $61⅛. On Wednesday, Exxon raised its dividend. Sedco advanced 1⅞ to $74⅞.

American Investment lost ¼ to $9½. LLC, which was unchanged at $3⅞, proposed a merger of the two companies.

General Dynamics eased 1⅞ to $65⅞. It reported higher first-quarter net profits but said it is beginning to see a slowdown in some of its businesses. Eastman Kodak, which rose 2½ the previous day on falling silver prices and higher profits, receded ⅝ to $52½.

Diamond International rose 1½ to $36. Cavenham said it may tender for under half of Diamond's Common stock if Diamond holders reject a proposed acquisition of Brooks-Scanlon.

THE AMERICAN SE Market Value Index gained 1.58 to 254.95 on volume of 2.04m shares at 1 pm (2.19m).

Ranchers Exploration, which reported lower fiscal third-quarter net profits, declined 1⅞ to $16⅞.

Great Basins Petroleum lost ⅛ to $14. It said some matters related to Governmental approvals needed for a merger with Phillips Petroleum remain unresolved. Phillips rose ⅞ to $43½ on the New York Exchange.

Closing prices for North America were not available for this edition.

Canada

Golds and other Metal Minings tended to ease but other sectors were mainly firmer yesterday morning in another moderate trade. The Toronto Composite Index moved ahead 6.9 to 1,876.9 and Oil and Gas 46.8 to 4,281.1, but Metals and Minerals slipped back 11.9 to 1,784.2 and Golds lost 90.4 to 2,841.1. In Montreal, Utilities put on 2.04 to 237.34 and Banks 0.69 to 304.17.

Among Oils, Gulf Canada rose 1⅞ to C$32⅞, Hudson's Bay Oil 1½ to C$116⅞ and Dome Petroleum ⅞ to C$72½.

Tokyo

Stocks again closed on a mixed note though trading remained fairly active. Mounting worries over the fast pace of increase in margin debts and the tightening of regulations governing credit trading was restraining investor interest in a large number of stocks.

The Nikkei Dow Jones Average was down a marginal 0.48 to 6,855.08 while the Tokyo Stock Exchange Index managed to edge up 0.37 to 468.18, and gains in the first market section slightly exceeded declines by 318-to-314. Trading volume amounted to 430m shares, matching the previous day's total.

Adversely affecting the market were reports that the amount of margin debts totalled a large 1.4 trillion yen on the three major stock exchanges in Japan. This combined with the recent tightening of margin trading was driving down some prices, according to brokers.

Also, foreign investors were refraining from active trading, waiting to see how the Iranian situation would develop.

Stocks related to the nation's defence spending generally failed to attract much buying attention from investors, who are apparently closely watching how a White House meeting between Prime Minister Masayoshi Ohira and President Jimmy Carter would turn out. Ohira is in Washington and expected to consider the U.S. request that Japan increase its defence spending.

Brokers said there was no discernible trend in most stock categories, although Steels remained firm while Light Electricals and Trading Houses declined.

The strength of Steel shares was attributed to market anticipation that they will continue to post healthy earnings increases in the new fiscal year that began in April. The strength spilled over into Shipbuilders, brokers added.

Nippon Steel added Y5 at Y138, Kawasaki Steel Y3 at Y147, Nippon Kokan Y2 at Y136 and Nisshin Steel Y3 at Y158.

Australia

Markets showed no clear trend after quiet dealings, with Mining and Industrial stocks kept subdued by interest rate nervousness and the erratic trend in metal prices on commodity markets.

However, some Oil shares encountered fresh demand. Weeks Petroleum moved ahead 40 cents to A$8 after the previous day's rise of 30 cents, while Beach climbed 12 cents to A$1.42 and Hartogen 10 cents to A$3.50, but Vangas shed 20 cents to A$4.40 and Crusader Oil 10 cents to A$2.95.

Rundle shale oil leader Central Pacific gained A$2 to A$45 and its partner Southern Pacific A$1 to A$16 after a progress report on the project.

CSR, which added 1,500m tonnes to its Julia Creek shale oil estimates, gained 2 cents to A$5.08.

Hong Kong

After an early improvement, renewed profit-taking set in to leave the market mainly easier on the day following moderate activity. The Hang Seng Index was down 4.02 on balance at 863.88.

This followed an Index gain of 5.30 around mid-morning on market speculation that local interest rates may be reduced at yesterday's meeting of the Exchange Banks Association's Interest Rate Sub-committee.

Among market leaders, Hong Kong Bank eased 10 cents to close at HK$13.60. Hong Kong Land 20 cents to HK$10.80, Hong Kong Wharf 50 cents to HK$65.50 and Hutchison Whampoa 5 cents to HK$8.25.

Johannesburg

Golds declined on a lower London bullion price, but holiday closures left overnight U.S. selling pressure largely untested in Europe. Leslie shed 15 cents to R2.95.

Industrials were mixed to easier. SA Breweries unchanged at R3.00 ahead of interim results, due next week.

MARKETS CLOSED

Apart from Holland and Denmark, markets in virtually all European countries were closed yesterday for the May Day holiday. Brazil and Singapore markets were also closed.

CANADA

Stock	April 30	April 29
Abitibi	18¼	18¼
Agnico Eagle	11	11½
Alcan Alumn	92½	28⅝
Algoma Steel	29½	28½
Asbestos	35¼	34

BELGIUM (continued)

April 30	Price Frs.	+ or —
Petrofina	5,200	+20
Royale Belge	3,320	—40
Soc Gen Banq	2,413	+40
Soc Gen Belge	1,352	—8
Sofina	3,375	+38
Solvay	2,513	+83
Traction Elect.	2,893	+20

HOLLAND

May 1	Price Fls.	+ or —
ACF Holding	74.0	+0.1
Ahold	68.3xd	+0.5
AKZO	23.4	+0.3
ABH	305.0	+3.5
AMEV	99.8	—0.3
AMRO	63.3	+0.5

AUSTRALIA

May 1	Price Aust. $	+ or —
ANZ Group	4.88	—0.02
Acrow Aust	0.80	
Allstate Expl	1.10	+0.05
Ampol Pet	1.03	
Assoc. Pulp Pap.	1.92	+0.02
Audimco	0.80	
Aust Cons Ind	2.02	—0.31

JAPAN (continued)

May 1	Price Yen	+ or —
Hubota	338	+1
Kumagai	337	+2
Kyoto Ceramic	3,160	+40
Lion	343	—1
Maeda Cons.	433	
Makita	1,000	—20
Marubeni	370	—3

NEW YORK — DOW JONES

Indices

NEW YORK ACTIVE STOCKS

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COMMODITIES AND AGRICULTURE

Lead down to an 18-month low

BY OUR COMMODITIES EDITOR

LEAD PRICES fell to the lowest level since September, 1978, on the London Metal Exchange yesterday. Cash lead closed £16.5 lower at £361 a tonne msking a los of over £50 so far this week.

Significantly the cash price hes now moved to a discount below the three months qootation suggesting that tha shortage of nearby supplies, which hss been such a potent influence in tho msrket, has disappeared for the time being at lcast.

Poor demand for lead, especially in the U.S. where producers have cut hack their domestic selling prices, has built up selling pressure on the London market. This has been exaggerated by speculstive selling, and the apparent absence of buying by the Soviet Union—previously the mainstay of the market.

Lead was also influenced by the general decline in metals, triggered off by the fall in gold and silver. This followed the statement by Mr. Paul Volcker, chairman of the U.S. Federal Reserve Board, suggesting that bank loans to the Hunt brothers would be conditional on them disposing of existing silver holdings and not taking any new speculative posipositions.

Copper was also depressed. Cash wirebars lost £16.5 to £891 s tonne. It is now hack below the low point reached last week before the latest Iranian crisis brought a sudden surge in prices. Basic fundamentals have now reasserted themselves with buying interest at a low ebb. Several North American copper prodncers announced a cutback in their U.S. selling prices to 92 cents a pound. Further holding down the market was a report that the U.S. Mint had bought supplies of copper for coinage st a relatively low price.

Aluminum snd nickel futures followed the downward trend in copper, but zinc and tin prices beld steady. Cash tin, in fact, closed higher as a result of a shortage of nearby suplies and rumours o ffruther shipments going from the LME warehouses to the Soviet Union.

Curb on speculation urged

WASHINGTON — Stricter regulation of apeculative commodity trading to prevent a recurrence of the recent silver market disruption was urged bere yesterday by Mr. James Stone, chairman of the Commodity Futures Trading Commission.

Testifying before a Senate sub-committee looking into the silver crisis, Mr. Stone suggested imposition of speculative position limits, restrictions on bank fioancing of speculation, and margin requirements set by the Government.

Without such curbs, he claimed, the type of panic experienced in silver could recur with even worse results.

He said restrictions should be palced on the ability of banks and commission houses to finance speculative commodity activities.

Meanwhile it was reported that tbe Hunt brothers may testify today at the subcommittee which began contempt proceedings against them wben they refused ot appear under subpoena on Tuesday.

Reuter

Copper supply surplus forecast

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER PRODUCTION in the western world should exceed demand by 138,000 tonnes this year and 522,000 tonnes next year, according to the latest issue of Copper Trends, published yesterday by London brokers, Amalgamated Matal Trading.

The report comments that on fundamental grounds a fall in prices has been justified and is likely to be extended, possihly into 1981. Bnt, it warns, that a number of external factors converging in June to August this year could cause copper prices to rally before resuming to decline. These factors included the effects of a possihle atrike by U.S. copper workers this aummer; further trouhles in the Middle East and reflationary measures that might he adopted by President Carter.

Even allowing for a six-week strike in the U.S. this summer over negotiations for new three-year labour contracts, the report predicts western world mine productioo will rise by 4.7 per cent to 6.45m tonnes this year. Refined prodnction is pnt 2.4 per cent np at 7.17m tonnes thia year rising to 7.44m next year.

Consumption of refined copper is forecast to decline by 7.4 per cent to 7m tonnes in 1980 and by a further 1.5 per cent to 6.9m in 1981. As a result end-year surplus stocks are predicted to rise from 1,861,000 tonnes at the end of 1979 to 2,521,000 tonnes hy the end of 1981. It is estimated stocks fell hy 519,000 tonnes last year.

In London yesterday Alistair Frame, chief executive of the Rio Tinto-Zinc group, said he expected the Metal Exchanga copper price to average around £950-£1,000 this year against

Mr. Frame added that the market for copper concentrates remalned strong, with a shortage of good quality material. He claimed that prices would have to rise by between 40 per cent and 50 per cent to eocourage new mine development.

EEC ban should help poultry farmers

BY RICHARD MOONEY

THE GOVERNMENT'S decision to ban m rtfunopiso ETAO S to ban imports of uncooked poultrymeat products wbich do not conform to EEC hygiene standards should ease the burden of unfair compteitiou from U.S. suppliers, Mr. Maurice Stoakes, outgoing chairman of the British Poultry Federation said in London yesterday.

The ban, which came into effect yesterday is mainly directed against turkey imports from the U.S. which have soared in recent years, thongh it will also hit Polish and Swedish suppliers.

In 1977 only 28 tonnes of U.S. turkeys came Into Britain but by last year this had risen to sbout 3,600 tonnes, equivalent to more than 10 per cent of UK sales.

The BPF, which has led the hattle to persuade the Government to subiect third-country imports to the full rigour of EEC hygiene regulations, blames the U.S. oversupply problem on an unprecedented increase in American turkey rearing last year, wben an extra 40m birds were put into production.

Thanks to feed costs np to 50 per cent below those in Britain the Americans have been ahle to offer their turkeys at prices which are very attractive to British buyers and the GATT agreement and the EEC's sluicegate prices bave failed to prevent s flood of U.S. turkeys coming on to the UK market, the BPF claims.

Under a special derogation, which does not run out until August 1982, Britain is allowed to import turkeys slaughtered and processed in third country plants which do not meet the EEC requirements. The BFP has managed to persuade the Government to stop making use of this derogation.

The Americans are helieved to have only three slaughtering plants an d28 cutting plants which measure np to the EEC standard.

Mr. Stoakes told the BPF annnal meeting yesterday turkey imports "had threatened the viability, even tha existence, of our turkey indnstry."

He said the third country suppliers had not been required to pay out large sums of money on capital re-equipment, as had been the case with UK producers. "We commend the Minister (Mr. Peter Walker), for his courage and determination ln taking action on our behalf."

But be warned that the UK industry coold not afford to be complacent. "The han will last only as long as it takes oor overseas competitors to adapt to onr standards."

The industry should bring pressure for a tightening of the GATT agreement on turkeys and for stronger EEC defences against imports, Mr. Stoakes stated.

Accusation of beef dumping

BRISBANE — The Australian Cattlemen's Union yesterday accused the EEC of violating agreements on trade and tariffs by dumping beef on world markets.

Mr. Rick Farley, the union's executive director, said that the EEC had won two beef contracts from Egypt hy selling at giveaway prices thst were impossihle for other beef exporting nations to match.

Sharp fall in cocoa market

By Our Commodities Staff

THE SHARP decline in cocoa prices continued yesterday taking nearby values on the London futures market down to their lowest levels for nearly four years. The July position, which ended the day £31.5 lower at £1,201.5 a tonne £31.5 lower at £1,201.5 a tonne, has now fallen by more than £200 in three weeks.

Dealers said yesterday's fall may have been encouraged by reports that Nigeria had sold cocoa, hnt they thought the main reason for the decline was "bearish" chart patterns.

Another bearish price forecast was published in New York yesterday by Acli International, but this was taken as just another indication of the depressed sentiment which has gripped the market.

Acli said cocoa prices were likely to fall to about $1.15 a lb from the current level of abont $1.20 hecause of high stocks and economic uncertainty in prodncer countries. "Cocoa prices still do not fully reflect emerging fundamental, economic and technical developments," the report said.

While cocoa bean production had rebounded from a low of 1.33m tonnes ln 1977 to an expected 1.56m this year, consumption had increased only slightly. This year'a consumption was projected at 1.44m tonnes against 1.42m in 1977.

Sugar prices rise

WORLD SUGAR prices rose again yesterday in response to estimates ofa larger 1979-80 production deficit, indications of increased physical demand, and good absorption of tenders posted against the New York futures market.

On the London futures market the August position ended £7.75 up on the day at £281.425 a tonne.

The new deficit estimates came from E. D. and F. Man, which put it at 7m tonnes, and the GEPLACEA producer group, which estimated a 6.02m tonnes shortfall.

Man said the world crop had continued to deteriorate in the past few months with drought in Asia, rust disease in Cnba aod the Dominican Republic and weather prohlems in the USSR hitting production.

CONWY EXPERIMENT

The difficulties of lobster farming

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

IN SCIENTIFIC jargon a lobster is termed an agrressive crustacean. It is carniverous and is not particular whether it eats other fish, crustacea, or even its own siblings.

It has also the characteristics of sheddign its carapace or shell at different growth stages. This leaves it with a soft exterior while tbe new shell is hardening, and at this time it is very vulenrable to attacks from other predators or lts fellowa.

Because of this lt thrives best in the wild where the environmensrit ocky or where is can burrow in hte aand for protection. In general it is nocturnal nl habit, retreating to shelter in daylight.

These characteristics are a hig problem inherent in rearing lohsters on afarm scale. Unlike the broller chicken industry they cannot ha herded in vast flocks. From a very early stage lobsters have to be kept separately as a mean of protection from their fellows.

This has been recognised for some time, but rsearchers have been exploring the possibillties of lobster farming over the years in the U.S., France and now at the Ministry of Agriculture's Fisherles Experimental Station at Conwy in North Wales.

This research was sparked off by declining catchea of lobsters from the wild and the conseqnent very high market price for lobsters, which has reached £4.40 per pound wholesale. The research was supported by a grant from the Fishmongers Company.

However a demonstration of tha project recently showed that while it was perfectly possible to rear lobsters under laboratory conditions from eggs to market size of about ¾ lb, the costs and difficulties of making this a viable enterprise for commercial exploitation are formidable.

So far no females have mated in captivity, and the eggs have been secured from wild females which prove to be carrying the eggs on their back flippers. Egg hatching can occur naturally between June and August, but in order to achieve a continuity of supply, hatching can be indnced hy raising water temperature so that eggs can hatcb throughont the year.

When hatcbed, the larvae ara surface living, and moult three times in the first 15 to 35 days after which they settle to the bottom of wherever they sre living.

In the experiment the larvee were kept together during the first growing stages. Due to the large number batched, a certain amount of canabalism could be tolerated. Thareafter, they bava to be reared separately in individual containers.

This seclusion becomes the patern of their lives and they are tarnsferred to increasingly larger containers as they grow. Under the experimental conditiooa lobsters reached saleable maturity ln about two and a-half years, as against five to aix years in the wild.

The quality of tha flesh of the domesticated lobsters was equivalent to that of the wild ones, but the colour when boiled was not quite so attractive.

The rate of growth is dependent on water temperature, and from 18 to 20 degrees C would aeem to be the optimum. The salinity has to he the equivalent of sea water, as the lobster cannot tolerate fresh water.

So far the feed has been natural — a mixture of mussel flesh and shrimp. But there is no douht that sbould the process ever become commercial, feed companiea could formulate compounds which would he satisfactory.

But even if feeds could be provided st a viable cost, the expense of feeding each individual lobster in its container would probahly he excessive.

I was shown several designs for apparatus which conld enable one man to deal with large numbers of lohsters on a moving tray system. But these all neded highly sophisticated arrangements for both feeding and for temperature and pollution control of the water supply, hoth of which are critical. The expenae of setting up the equipment is prohahly the greatest deterrent to commercial exploitation.

The survival rate is not yet aatisfactory, there heing particularly heavy losses in the more mature lobsters. The cause of this is not yet known but losses follow a seasonal pattern, occuring in the latter parts of the year and are also helieved to happen in the wild. One possihle explanation is that they could he caused hy a vitamin deficiency, possihly a factor of water quality.

Overall, this experiment is a remarkahle example of applled resarch. While lt will not lead to the hroiler type production of lobsters for the mass market, there could be a spin off in another direction; that of aeeding the sea with imature lobsters, a practice which is being developed in France and the U.S. So far, unfortunately, without an appreciahle increase in catches.

Brewers warned on herbicide

BY OUR COMMODITIES STAFF

BREWERS AND maltsters bave been advised not to use harley treated with "Roundnp" herbicide for malting until further tests are completed.

The herhicide, produced by Monsanto, is used to kill couch grass and other weeds. It has been on the market for some aix years, hnt until recently was only approved for use after harvest. Now it has been cleared by government scientists for use on growing crops of wbeat and barley.

However, the Institute of Brewing has warned lts members that barley treated with Roundup sbould not be used for malting until the brewing industry has completed tests on lt.

So far no tests bave been carried out hy brewers, maltsters or distillers on harley treated with Roundnp, and the Institute said it could not confirm the company's claim that lt had no effect on germination. "Nor do we know the effects on malt, beer or whisky," it added.

Monsanto said yesterday it had carried out thorongh trials including exhaustive germination tests on pre-harvest applied Roundup without discovering any harmful effects. "Monsanto stands firmly behind the new recommendation," s compsny official said. But be added that Monsanto would co-operate with the industry in any further tests if wished to carry out.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Lost ground on the London Metal Exchange. News that the Hunt brothers may liquidate unstated amounts of silver upset all metal markets, and in particular silver. This led to modest, but persistent, selling of copper which opened lower at £920, and after briefly touching £925, drifted throughout the day to a low of £905 before rallying to close the late kerb at £913. Turnover, 18,225 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £896, 95, 94, three months £925, 26, 25, 24, 23, 22, 21, 22, 23, 22, 20, 21, 20, 19, 18.5, 19, 18, 16, 15. Cathodes, cash £875, three months £895. Kerb: Wirebars, three months £916, 15, 15.5, 18, 15. Afternoon: Wirebars, three months £911, 10, 05, 8, 7, 8, 11, 12, 13. Kerb: Wirebars, three months £912, 10, 09, 8, 9, 10.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	894-5	-25	890-2	-16.5
3 months	915-7	-23.5	915-4	-19
Settlem't	895	-25	—	......
Cathodes				
Cash	875-7	-25	876-8	-18
3 months	894-7	-27	898-900	-15.5
Settlem't	877	-25	—	......
U.S. Prod	—	......	*90.96.25	......

TIN—Easier for forward metal, although the continuing technical squeeze on nearby supplies prompted renewed demand for cash metal and widened the backwardation to £170. Forward metal opened around £7,620 and moved up to £7,650 before easing to close the late kerb at £7,600. Turnover, 1,925 tonnes.

Morning: Standard, cash £7,790, 7,800, three months £7,650, 40. Kerb: Standard, three months £7,630. Afternoon: Kerb: Standard, three months £7,600.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7790-810	+60	7780-810	+45
3 months	7640-60	+2.5	7510-20	-55
Settlem't	7810	+60	—	......
Standard				
Cash	7790-800	+60	7780-810	+60
3 months	7630-40	+2.5	7610-20	-20
Settlem't	7800	+60	—	......
Straits E.	‡$2268	......		......
NewYork	—	......		......

LEAD—Sharply lower as heavy selling from American sources during the afternoon rings depressed forward metal from £380 on the early pre-market to the day's low of £360 before a close on the kerb of £361. Turnover, 12,800 tonnes.

Morning: Three months £376, 75, 76, 77, 77.5, 78, 77, 76, 75, 76. Kerb: Three months £377, 78. Afternoon: Three months £375, 74.5, 75.5, 75, 72, 71, 70, 68, 66, 67, 68, 69. Kerb: Three months £365, 64, 65, 64, 63, 62, 60, 61, 62, 60, 59, 60.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	568-70	-7.25	560-2	-1.65
3 months	375-7	-8.5	358-9	-15
S'ment	570	-8.5	—	......
U.S. Spot	—	......	*40	-8

ZINC—Marginally easier in quiet and routine trading with forward metal holding steady around the £307.5 level throughout the day. Turnover, 3,050 tonnes.

Morning: Three months £309, 08, 07, 08, 07. Kerb: Three months £307. Afternoon: Three months £307. Kerb: Three months £307, 8.5, 9, 8.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	296-7	-5.75	296.5-7	-1.25
3 months	307-8	-4	307-.5	-1.25
S'ment	297	-6	—	......
Primw'ts	—	......	*37.5	......

ALUMINIUM—Down in line with other metals. Forward metal opened at £810, fell away to £800 before good buying at that level prompted a recovery to £805 on the late kerb. Turnover, 7,500 tonnes.

Morning: Cash £830, three months £809, 08, 06, 05, 04, 05, 05.5, 05. Kerb: Three months £804, 03, 04. Afternoon: Three months £801, 4, 3, 2, 3, 5, 4, 5. Kerb: Three months £805, 4, 3.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	†+ or —
	£	£	£	£
Spot	830-1	-22	826-30	-13.5
3 months	804-5	-18	805-7	-10.5

NICKEL—Lower in idle trading as stale bull liquidation saw forward metal ease from £2,756 to the day's low of £2,720 prior to closing the afternoon kerb at £2,730. Turnover, 540 tonnes.

Morning: Three months £2,760, 50, 55, 45, 30, 25. Kerb: Three months £2,725. Afternoon: Three months £2,720, 50.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2620-40	-52.5	2645-50	-17.5
3 months	2720-30	-57.5	2755-5	-18

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 79.3p an ounce lower for spot delivery in the London bullion market yesterday at £5.304. U.S. equivalents of the fixing levels were: Spot $12, down $1.834; three-month $12.42, down $1.83; six-month $12.851, down $1.974; and 12-month $13.665, down $1.942. The metal opened at £5.65-6 ($12.75-13.5) and closed at £5.2-5.55 ($11.75-12.5).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	530.4p	-79.3	546.5p	-55
3 months	552.30p	-88.8	566.50p	-56
6 months	573.6p	-88.8	—	......
12 months	614.0p	-88.2	—	......

LME—Turnover 251 (88) lots of 10,000 ounces. Morning: Three months 545, 40, 35, 34, 35, 38, 37, 40, 38, 40, 42. Kerbs: Three months 540, 37, 45. Afternoon: Three months 545, 48, 50, 48, 47, 48, 64, 60, 62, 65, 62, 60, 65, 63, 65. Kerbs: Three months 583, 60, 57.

COCOA

Futures today attracted sustained selling during the morning and for the fourth day in succession recorded new contract lows. However, a little profit-taking at the close aided a £10 rally, reports Gill and Duffus.

COCOA	Yest'rdays Close	+ or —	Business Done
May	1175-90	-21.0	1190-65
July	1201-02	-31.5	1225-1195
Sep.	1225-28	-27.0	1258-15
Dec.	1278-80	-21.5	1292-68
March	1315-20	-21.0	1523-05
May	1336-50	-22.5	1346-40
July	1355-80	-25.0	1365-60

Sales: 3,673 (5,071) lots of 10 tonnes.

COFFEE

During a lack-lustre morning session values maintained opening gains in poor volume with mixed interest in a tight trading range, reports Drexel Burnham Lambert. In the afternoon activity picked up considerably with good commission house selling being well absorbed by trade and producer buying.

COFFEE	Yesterd'ys Close	+ or —	Business Done
	£ per tonne		
May	1597-98	+8.5	1610-90
July	1655-40	+11.0	1655-40
Sept.	1695-88	+7.5	1695-78
Nov.	1708-95	+9.5	1708-95
January	1705-99	+11.0	1705-99
March	1647-54	+9.5	1647-45
May	1640-55	-2.5	—

Sales: 2,961 (3,956) lots of 5 tonnes.

ICS Indicator prices for April 30 (U.S. cents per pound): Other Mild Arabicas 178.93 (177.67); Robustas ICA 1976 184.75 (183.75); ICA 1968 185.00 (184.00). Unwashed Arabicas 208.00 (same). Comp. daily ICA 1968 185.06.

GRAINS

LONDON GRAIN FUTURES—Old crops opened unchanged this morning. Volume was fairly thin and selling pressure eased values to close 40p down on wheat and 35p down on barley. New crops saw good trade on barley in the morning session but trade thinned out in the afternoon and options closed 5p-25p lower on wheat and unchanged to 5p lower on barley, reports Acli.

	WHEAT		BARLEY	
Mnth	Yesterday close	+ or —	Yesterday close	+ or —
May	92.90	-0.40	91.20	-0.35
Sept.	93.70	-0.05	91.35	......
Nov.	97.55	-0.20	95.25	......
Jan.	101.25	-0.15	98.90	-0.05
Mar.	104.45	-0.20	102.25	-0.05

Business done—Wheat: May 93.30-92.70, Sept. 93.85-93.70, Nov. 97.60-97.60, Jan. 101.40-101.40, March 104.50-104.45. Sales: 56 lots of 100 tonnes. Barley: May 91.55-91.20, Sept. 91.45-91.35, Nov. 95.30-95.20, Jan. no trade, March 102.40-102.25. Sales: 170 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2 14 per cent, May 92.50, June 93.00, July 93.50, transhipment East Coast. English Feed fob May 98.50, June 99.50 quoted. Barley: English Feed fob May 97.50 East Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 92.40, S. West 91.90, W. Midlands 92.10, N. West 93.40. Milling wheat: S. East 97.10, N. West 97.00.

RUBBER

The London physical market opened slightly easier with little interest throughout the day, closing quietly steady Lewis and Peat reported. The Malaysian market was closed.

Sales: 368 (171) at 15 tonnes, 7 (10) at 8 tonnes.

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
June	65.50-64.50	64.30-64.50	65.50-65.50
July	64.70-64.90	64.50-65.60	—
Jly-Sept	65.50-66.10	65.50-66.50	66.35-65.20
Oct-Dec	69.80-70.00	70.20-70.30	70.10-69.00
Jan-Mar	72.50-72.70	73.00-73.10	72.80-71.90
Apr-Jne	75.30-75.40	75.70-75.90	75.40-75.00
Jly-Sept	78.25-78.50	78.00-78.90	78.10-77.90
Oct-Dec	81.10-81.20	81.30-81.40	81.10-80.50
Jan-Mar	83.88-84.00	84.00-84.70	—

Physical closing prices (buyers) were: Spot 63.50p (64.00p); June 66.50p (66.75p); July 67.25p (67.50p).

SOYABEAN MEAL

The London market opened with small losses on little interest as most of Europe was on holiday, reports T. G. Roddick. Prices firmed late in session on early fears of dry weather in U.S. growing areas.

	Yest'rday Close	+ or —	Business Done
	£ per tonne		
June	108.10-09.4	+0.85	108.20
August	108.00-08.2	+0.10	108.10-107.50
October	105.50-05.8	+0.15	105.20
December	108.50-09.0	+0.20	108.50
February	111.50-12.8	+0.65	—
April	113.50-14.5	+0.75	—
June	115.50-16.3	+0.20	—

Sales: 12 (31) lots of 100 tonnes.

WOOL FUTURES

BRADFORD—Prices continued to fall in line with the trend in international wool values. There is very little domestic business and the outlook is worse than at any time so far this year.

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). May 419.0, 420.0, 418.0-413.5, 181; July 422.0, 424.0, 425.0-418.0, 340; Oct. 425.0, 426.5, 429.0-422.0, 137; Dec. 432.0, 433.0-427.5, 174; March 441.0, 443.0, 445.0-433.0, 88; May 444.0, 448.0, 443.0-440.0, 30; July 447.0, 447.0-443.0, 46; Oct. 450.0, 451.0, 451.0-451.0, 22. Sales: 998.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller only). New Zealand cents per kilo. May 351, 356; Aug. 365, 370; Oct. 365, 372; Dec. 365, 373; Jan. 365, 375; March 370, 390; May 370, 391; Aug. 370, 395; Oct. 370, 395.

SUGAR

LONDON DAILY PRICE (raw sugar): £254.00 (£248.00) a tonne cif for May-June shipment. White sugar daily price was £262.00 (£257.00).

News that some 130,000 tonnes delivered against the expiring May position in New York had been taken up by one company who was expected to deliver to the USSR provoked keen short-covering, and prices quickly rose, reports C. Czarnikow. During the afternoon quotations surged further ahead.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
May	264.00-64.50	262.50-65.00	265.00-49.00
Aug.	281.55-81.50	276.85-75.70	282.25-69.00
Oct.	289.50-90.00	285.00-83.20	291.00-79.00

Sales: 3,218 (8,754) lots of 50 tonnes.

No. 4 CONTRACT—Close (in order buyer, seller only). Aug. 282.75, 283.25; Oct. 291.00, 291.50; Jan. 295.00, 296.00; March 304.25, 304.75; May 306.00, 307.25; Aug. 308.00, 310.00; Oct. 309.00, 315.00. Sales: 802 (1,176).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £344.00 (£337.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for April 30: Daily price 23.30 (22.70); 15-day average 22.05 (21.83).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 46 tonnes, bringing the total for the week so far to 292 tonnes. Restricted operations took place, without signs of any increased activity. Economic and political distraction affected the turnover and only occasional interest was shown in American-type supplies.

★

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.80-£5.40, codlings £3.80-£4.40. Large haddock £4.40-£5.00, medium £3.50-£4.50, small £1.80-£2.90. Large plaice £3.00, medium £3.00, best small £3.00-£3.50. Skinned dogfish (large) £9.00, medium £5.00. Lemon soles (large) £8.00, medium £7.00. Reds £3.80, Saithe £2.00-£2.70.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on May 1. GB cattle 85.53p per kg lw (+0.53); UK sheep 141.2p per kg est dcw (+1.5); GB pigs 69.4p per kg lw (+0.6).

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Vamas 4.00-4.50, Bloods 3.30-3.80; Jaffa: Valencia Lates 50/189s 4.40-5.60; Egyptian: Valencia Lates 75/125s 3.00-3.20; Moroccan: 54/113s 4.20-4.80; Cyprus: Valencia Lates 3.00-3.50, Ortaniques—Jamaican: 54/126s 3.00-4.00. Lemons—Italian: 100/150s 4.50-4.65; Spania: Trays 25/45s 1.60-2.40, boxes 4.20-5.20; Californian: 99/165s 6.00-6.30. Grapefruit—Cyprus: 20-kg 4.00-5.40; Jaffa: Large boxes 32/88s 4.15-5.05. Apples—Argentina: Red Delicious 150s 8.40; New Zealand: Cox's Orange Pippins 9.20-9.60; Chilean: Granny Smith large boxes 125/150s 7.80; S. African: Golden Delicious 7.25-7.50; Starking 7.20-7.50, White Winters 150/180s 7.20-7.50, Granny Smith 8.20-8.30, Dunn's 6.80-7.00; French: Golden Delicious, boxes 40-lb 138/175s 4.20-4.80, 20-lb 2.10-2.70; Italian: Jonathan 0.09½, Romes 0.11. Pears—S. African: Approx 34-lb Beurre Bosc 5.30-5.50, Packhams 5.90-7.80; Italian: Passacrasana 12-lb 1.50-1.80, 16-lb 2.00-2.30. Grapes—S. African: Barlinka 3.90, Golden Hill 7.20. Strawberries—Per punnet, Californian: 0.80; Spanish: 0.25-0.30; Italian: 0.30; Portuguese: 0.25-0.30. Avocados—S. African: 4.20-4.40. Pineapples—Ivory Coast: Each 12s 0.45-0.80, 6s 1.00-1.10; S. African: 8/9s 2.70-3.20. Bananas—Jamaican: 28-lb, per pound 0.17. Tomatoes—Canary: 3.30-4.00; Dutch: 5.00-5.10; Guernsey: Pink 5.10. Onions—Canadian: 50-lb 4.60; S. African: 5.00; Chilean: 4.50-4.70; Tasmanian: 20-kg 5.00; New South Wales: 44-lb 4.40; Dutch: 4.50. Cucumbers—Dutch: 2.60. Chicory—Belgian: 5-lb 2.60. Potatoes—Egyptian: Kind 2.60-3.80; Canary: 5.00; Cyprus: New crop 20-kg 4.40; Jersey: Per pound 0.70; Italian: 10-kg 3.70; American: Pre-pack 48 x 1-lb 7.00; Cyprus: 2.40. Capsicums—Canary: 5 kilos 2.00-2.50; Beetroots—Cyprus: New crop, approx. 28-lb 3.50.

English Produce: Potatoes—Per bag 2.30-2.60. Mushrooms—Per pound 0.55-0.65. Apples—Per pound Bramley 0.11-0.18, Cox's Orange Pippins 0.13-0.20, Laxtons 0.10-0.12, Conference 0.11-0.17. Pears—Per pound Conference 25/28-lb 0.60-0.70. Turnips—Per 28-lb 1.20. Carrots—Per bag 1.00-1.50. Cabbages—Per bag 1.40, White 1.50. Cauliflowers—Per 12 English 1.50-2.20. Cucumbers—Trays 18/20s 2.80-3.20, prepack 18/20s. Tomatoes—Per 12 Per pound 0.40-0.42. Swedes—Per 28-lb round 0.70-0.80. Parsnips—Per 28-lb 1.00. Rhubarb—Per pound outdoor 0.03-0.05. Onions—Per bag 4.30-5.00. Beetroots—Per bag 28-lb, long 1.80. Celery—English 12/30s 3.20-4.00.

PRICE CHANGES

In tonnes unless otherwise stated.

	May 1 1980	+ or —	Month ago
Metals			
Aluminium	£815/815	......	£815/815
Free Mkt	$1840/1875	-20	$1850/80
Copper			
Cash w'bar	£891	-18.5	£938.5
3 mths	£913.5	-19	£960.5
Cash Cathode	£877	-15	£906
3 mths	£892	-15.5	£934
Gold troy oz	$497.5	-17	$501
Lead cash	£361	-16.5	£448
3 mths	£358.5	-16	£456.5
Nickel	£2,355	-182	£3,477
Freemkt(cif)(lb)	278/305c	......	288/315c
Platin'mtr'y oz	£189-185	......	£189/195
Free mkt	£200.30	-54.4	£264.30
Quicksil'ver†	$395/405	......	$400/412
Silver troy oz	530.40p	-79.5	899.15p
3 months	552.30p	-80	724.15p
Tin Cash	£7,795	+50	£7,735
3 mths	£7,215	-20	£7,790
Tungsten22.04lb	$140.73	......	$141.14
Wolfrm 22.04 lbcif	$155/145	......	$144/148
Zinc cash	£296.75	-1.25	£309
3 months	£307.25	-1.25	£315.75
Producers	$760-825	......	$825
Oils			
Coconut (Phil)	$575z	-25	$700
Groundnut	‡	......	
Linseed Crude	£396s	......	£450
Palm Malayan	$505z	......	$610
Seeds			
Copra Philip	$370s	-5	$485
Soyabean(U.S.)	$265.85z	+1	$260.5
Grains			
Barley Futures	£91.55	......	£90.7
Maize			
French No3AM	‡	......	£116.50
Wheat			
No. 1 Red Spg.	‡	......	‡
No2HardWint.	‡	......	‡
Eng. Milling†	‡	......	‡
Other commodities			
Cocoa ship't	£1,242	-32	£1,419
Future July	£1,201.5	-31.5	£1,392.5
CoffeeF't'rJuly	£1,652.5	+7.5	£1,634.5
Cotton A.Index	89.10c	......	95.5c
Rubber (kilo)	63.50p	-0.5	64.50p
Sugar (Raw)	£254	+5	£210
Wooltp's 64s kl	292p kilo	-1	300pkilo

u June. s May. t May-June. r April-May. x July. z Indicator. § Buyer. ‡ Per 76-lb flask.

AMERICAN MARKETS

NEW YORK, May 1.

COPPER CONTINUED to be influenced by gold, which came under pressure on commission house stop-loss selling, although gold later recovered. Sugar was limit bid on expectations of a large Mexican buying tender. Cotton firmed on good trade buying. Cocoa was weaker on chart and trade selling. Good producer support rallied coffee prices late in the session. Pork bellies were higher on a stronger tone to cash, while cattle were lower on technical selling and hogs were under pressure on a potential back-up of live hogs due to reduced slaughter. The grain and soyabean complex was mixed in quiet trade, reported Heinold.

Potatoes (round whites)—Nov. 70.5-70.6 (73.5). Sales: 52.

Sugar—No. 11: July 26.35 (24.81), Sept. 26.53 (25.53), Oct. 26.81, Jan. 27.46, March 28.20, May 28.25, July 28.70, Sept. 28.90, Oct. 29.00-29.40. Sales: 12,275.

Tin—802.00-807.00 asked (802.00-810.00).

CHICAGO, May 1.

Lard—Chicago loose 18.25 (same). New York prime steam 18.75 (same).

Live Cattle—June 64.20-64.05 (64.821), Aug. 63.15-63.10 (64.12), Oct. 61.30-61.40, Dec. 62.00-61.90, Jan. 63.00, Feb. 62.75-62.60, April 63.200.

Live Hogs—June 34.40-34.50 (34.47), July 35.45-35.55 (35.80), Aug. 35.00-35.05, Oct. 35.70-35.60, Dec. 38.50-38.45, Feb. 41.55-41.40, April 41.00, June 44.35, July 45.30.

‡‡Maize—May 266-266½ (265¼), July 277¾-277½ (278½), Sept. 288, Dec. 295-295¾, March 307-308½, May 313½.

Pork Bellies—May 31.25-31.15 (30.27), July 32.40-32.70 (31.62), Aug. 32.15-32.30, Feb. 47.65, March 47.60, May 48.40, July 48.75, Aug. ——.

Silver—May 1250.0 (1230.0), June 1320.0 (1360.0), July ——, Aug. 1355.0, Oct. 1390.0, Dec. 1425.0, Feb. 1459.0, April 1493.0, June 1527.0, Aug. 1561.0, Oct. 1595.0, Dec. 1631.0, Feb. 1667.0, April 1703.0, June 1739.0, Aug. 1775.0, Oct. 1811.0.

†Soyabeans—May 590½-590 (594½), July 611-608 (615½), Aug. 619, Sept. 629½-629, Nov. 644-645, Jan. 660, March 676½, May 688.

‖Soyabean Meal—May 164.0-164.2 (163.9), July 171.7-171.8 (172.1), Aug. 175.2, Sept. 178.3-178.5, Oct. 181.0, Dec. 185.0-184.8, Jan. 187.5, March 193.0, May 196.5-197.0, July 200.0-201.0.

Soyabean Oil — May 19.76-19.78 (19.86), July 20.37-20.35 (20.38), Aug. 20.61, Sept. 20.90-20.85, Oct. 21.10, Dec. 21.55, Jan. 21.65, March 22.00, May 22.35, July 22.70-22.75.

†Wheat—May 386½-384½ (385½), July 398½-399½ (399¼), Sept. 414-414½, Dec. 431-432, March 445-445½, May 452.

WINNIPEG, May 1. §Barley—May 112.20 (110.80), July 115.00 (113.80), Oct. 115.10, Dec. 114.30, March 114.30.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, May 1.

Wheat—U.S. No. 2 Red Winter June $179, July $178, Aug. $180. U.S. No. 2 Northern Spring, 14 per cent, May $189.50, June $190, July $191.50, Aug. $192.50, Sept. $195. Rest unquoted.

Maize—Afloat $136, May $134, June $135.75, July-Sept. $141.50, Oct.-Dec. $146.50, Jan.-March $154.

Soyabeans—U.S. Two Yellow Gulfports May $254.75, June $255.75, July $258.50, Aug. $262, Sept. $265.75, Oct.-Nov. $268, Dec. $273, Jan. $277.50, Feb. $283.50, March $285.75 seller. Argentine Aug. $259.80.

Soyameal—44 per cent protein U.S. afloat $230, April $225, May $221, June $222, July $225, Aug. $228, July-Sept. $227, Nov.-March 242.50. Brazil Pellets afloat $235, shipping/shipped $230, May $230, June $229, July $229.50, Aug. $233.50, Sept. $236.50, Nov.-March $251.50.

INDICES

FINANCIAL TIMES

Apr. 30	Apr. 29	M'nth ago	Year ago
275.57	275.67	283.59	277.11

(Base: July 1, 1952=100)

MOODY'S

Apr. 30	Apr. 29	M'nth ago	Year ago
1115.6	1116.7	1119.6	1063.9

(December 31, 1931=100)

DOW JONES

Dow Jones	April 30	April 29	Month ago	Year ago
Spot	415.44	417.47	404.03	392.73
F'tur's	422.72	424.44	416.96	394.81

(Average 1924-25-26=100)

REUTERS

May 1	Apr. 30	M'nth ago	Year ago
1680.3	1682.1	1705.3	1567.2

(Base: September 18, 1931=100)

Road deaths lowest since 1958

ROAD deaths in the UK last year were the lowest since 1958, according to provisional figures released yesterday by the Department of Transport.

The Department estimates that 6,300 people were killed in 1979, 7 per cent fewer than 1978. The reduction in average mileage per car following petrol price increases is thought to bsve been a contributory factor.

There were also 80,000 seriously injured and 247,000 alightly injured, falla of 3 per cent and 5 per cent respectively on 1978 figures.

Total casualties were 334,000, 5 per ceot less than in 1978. This inclndes 67,000 pedestrian casualties, the lowest level since 1958 and s redaction of 5 per cent on 1978.

Row over local radio wavelength

PLANS to start a BBC local radio station in Lincoln in November are being fought by the Isle of Man, becanse the new station would use the same wavelength as the Manx Broadcasting Commission — 219 metres.

Manx negotiators, headed by Mr. Miles Walker, commission chairman, have told the Home Office tbat tbey are prepared to accept the use of the wavelength by local stations at Swindon and Crawley.

Radio Manx, the station operators, said its hroadcasts were heard over a wide area of north west England, south west Scotland, Northern Ireland and North Wales, and a station at Lincoln operating on the same wavelength could cause interference.

CORAL INDEX: Close 441-446 (+3)

Firm for the fourth consecutive day with the rise continuing after-hours on U.S. news—Oils feature again

Account Dealing Dates

Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19
May 12	May 28	May 30	June 9

* "New time" dealings may take place from 8 am two business days earlier.

Stock markets made progress for the fourth consecutive day. Yesterday's gains were relatively small and achieved after most equity sectors had displayed initial caution in view of the previous three-day rise. Similar hesitancy and the upturn in European interest rates affected sentiment in Gilt-edged securities, but fresh demand from foreign and local sources ahead of a U.S. prime rate cut to 18½ per cent brought a resumption of the firm trend.

Assuming that profit-takers would become more active in front of the holiday week-end, equity dealers offered leading shares in excess to book requirements to potential institutional buyers at slightly lower levels. These were readily accepted and, helped by a burst of renewed activity in the oil sector, a distinctly better tone began to emerge.

Partly reflecting the recent strengthening in crude oil spot prices, both major and secondary oils stocks established good gains. Leading industrials, however, rarely closed more than fourpence higher, but situation issues and companies making trading statements often made bigger rises. Measuring the mid-morning hesitancy, the FT 30-share index showed a fall of 3.2 at 11 am, but an hour later this had been turned into a marginal improvement and at the close into a net gain of 2.8 at 443.2.

Short-dated Government stocks encountered early profit-taking but losses ranging to 3/16 were regained on revived overseas and domestic support. The longer end of the market was quieter with business evenly matched until quotations hardened prior to the prime rate cut and President Carter's views on the U.S. economy. Gains of ¼ at the official close were extended to around ½ and the new ultra-long Treasury 13¼ per cent 2004/08 settled higher on the day, despite the strong possibility of a replacement tap stock being announced today.

Further support of Southern Rhodesian bonds impinged on a short market and selected issues achieved substantial rises, the 6 per cent 1978/81 ending 7 points higher at £152.

Traded options attracted a total of 538 contracts. The most active stocks were Courtaulds, Shell and Imperial with 113, 108 and 105 trades dealt respectively.

Discounts busier

Hopes of an early cut in Minimum Lending Rate, favourable Press comment, and a recent batch of better-than-expected trading statements made for active and firm conditions among Discount Houses. Smith St. Aubyn put on 8 for a two-day gain of 18 to 130p in response to the preliminary figures, while Gerrard and National, responding to the dividend increase, improved 8 afresh to 232p. Union Discount advanced 20 to 415p and Cater Ryder 15 to 310p, while gains of 5 were marked against Alexanders, 238p, and Allen Harvey and Ross, 355p. In sharp contrast, business among the major clearing banks was relatively thin. Barclays and Lloyds held at 420p and 290p respectively, but Midland, 335p, and NatWest, 325p, both shed 3.

A few pence easier initially, Insurances perked up towards the close and usually closed with modest improvements on balance, Sun Alliance and Royals finishing 4 better at 598p and 338p respectively.

After a quiet start, leading Breweries attracted renewed investment buying and closed with gains to 3. Greenall Whitley improved that much to 191p, while gains of around a penny were seen for Bass, 233p, and Allied, 76½p. Regional counters also took on a firmer stance. Vaux, interim results due next Friday, rose 4 to 150p, while Wolverhampton and Dudley, 330p, and Boddingtons, 128p added 3 and 2 respectively. Bordar were unchanged at 92p following the full-year results.

Trading statements generated some interest in Contracting and Construction issues. Annual profits below market estimates left George Wimpey 3 cheaper at 69p and John Mowlem 2 off at 103p. A couple of pence easier awaiting the preliminary figures, Newarthill picked up to the overnight level of 250p on the announcement, while Aberdeen Construction responded to results with a gain of 7 to 97p.

Elsewhere in Buildings, FJC Lilley added 3 to 79p on a U.S. acquisition. Still drawing strength from the results and enfranchisement proposals P. C. Henderson, 150p, and the A 140p, advanced 22 apiece for two-day gains in excess of 50p, while Watts Blake improved 6 to 174p in a limited market. Manders, good of late on speculative buying, eased 6 to 154p. Business in the recently active Timber sector was reduced. Montague L. Meyer slipped to 105p before regaining the overnight level of 107p, but Mallinson-Denny lost 2 to 66½p. Phoenix, on the other hand, improved 3 to 121p and Magnet and Southerns hardened a couple of pence to 170p, after 172p.

ICI recovered from a cautious start and finished a net 4 up at 370p, after 364p. Among other Chemicals, Brent, 132p, and Coalite, 100p, both added 2, but Plysu, at 94p relinquished the previous day's gain of 3.

Frasers firm

Support for Stores picked up during the afternoon and the leaders closed with moderate gains. GUS A, 398p, and British Home, 290p both added 4, while buyers also came in for House of Fraser, 7 better at 150p. Marks and Spencer, annual results next Wednesday, hardened the turn to 89p. Among lacklustre secondary issues, Moss Bros, bounced up to 280p before the chairman's bid denial left the close unaltered at 273p. News of another suitor in the wings had no apparent effect on Maple, unchanged at 35p, but bidders Waring and Gillow gained 2 to 111p. Recent takeover favourite Owen Owen shed 3 to 132p on profit-taking, but further consideration of the annual statement helped A. G. Stanley to firm a penny at 76p.

Inclined easier at the start, Electrical leaders picked up to close with small gains on balance. Racal attracted buyers and put on 5 to 247. Elsewhere, comment on the annual results prompted buying of Telephone Rentals which advanced 9 to 214p. STC continued firmly, edging up 2 more to 282p.

No decided trend developed in the Engineering leaders, closing movements being restricted to a few pence either way. Among secondary issues, Ayrshire Metal continued to benefit from the increased dividend and profits, rising 5 more to 79p, while the encouraging tenor of the chairman's statement at the annual meeting prompted a gain of 7 to 167p in Ransomes Sims. RHP were also firm at 105p, up 4½p, following the annual meeting. Fresh demand lifted Spirax-Sarco 5 to 193p, while gains of around 6 were recorded in Vosper, 142p, Staveley, 182p, and ML Holdings, 265p.

Uncertain at first in the absence of follow-through support, leading Foods went better as the session wore on and closed with modest gains in places. Elsewhere, George Bassett came under pressure and eased 3 to 59p, after 58p, while Barker and Dobson, at 17p, gave back a penny of the previous day's gain of 4½.

Among Hotels and Caterers, Grand Metropolitan hardened a penny to 127p; the company has filed a suit against its takeover target, consumer products concern Liggett, charging the company with asset stripping. Trusthouse Forte shed a couple of pence to 175p and Ladbroke 3 to 147p, while Brent Walker met small offerings and declined 2 to a 1980 low of 56p.

Davies & Newman good

Interest in the miscellaneous Industrial leaders was at a low ebb and prices rarely strayed far from overnight closing levels. Elsewhere, Davies and Newman featured with a jump of 15 to 130p in response to the good annual results and proposed scrip issue, while Henry Boot leapt 28 to 140p on the return to profitability. The U.S. property deal stimulated fresh demand for European Ferries which rose afresh to 131p before settling at 130p for a rise of 7. Hunting Associated moved up 25 to 345p in a limited market, while acquisition news left Cope Allman a few pence dearer at 69p. Other bright spots included A. Russell, 5 to the good at 65p, and Geo. Ewer, 3 higher at 47½p. By way of contrast, Lontrim dropped 13 to 15p on the loss for the first three months and the discouraging statement about prospects for the remainder of the current year. Martin Black fell 2 to 14p following the annual pre-tax loss and the passing of the dividend—while Alpine Holdings, still reflecting the profits warning, reacted 4 more to 88p.

Motor Garages again traded quietly and movements were limited to a couple of pence either way. T. C. Harrison added 2 more to 58p, still reflecting the preliminary results, while speculative support increased for Pennine Commercial, 1¼ better at 8¼p, after 8½p; the latter's annual figures are expected next Thursday. Lex, 87p, added a couple of pence, but Henlys, 81p, and Glanfield Lawrence, 52p, both ended that much cheaper.

The odd firm spot became apparent among otherwise subdued Paper/Printing issues. Marshall Cavendish, annual results today, picked up 2 to 17p, while Bunzl Pulp, dull since Tuesday's announcement of disappointing results, recovered a similar amount to 99p. Associated Paper, interim results due soon, attracted late support and added 3 to 40p.

A touch easier at the outset, most Properties picked up to close at, or near, the overnight levels. Peachey were notable for a gain of 4 at a 1980 peak of 149p as interest persisted. Elsewhere, C. H. Beazer improved 2 to 69p on acquisition news. M. P. Kent also added 2, to 58p.

Oils active again

Demand for Oil shares, particularly exploration issues, continued unabated yesterday. Trading was again very brisk, but once again the leaders tended to be overshadowed by secondary issues. Ultramar were well to the fore with a fresh rise of 18 at 672p ahead of next week's annual meeting and on expectations of good first-quarter figures. On-shore favourites, Carless Capel, 132p, and Candecca, 138p, advanced 11 and 12 respectively. Aran moved up 20 to 364p and Clyde a similar amount to 480p, while comment on the full report lifted Lasmo 25 to 572p. Dealings started yesterday in Pict Petroleum under rule 163 and, from an opening of 310p, the price moved ahead to close at 350p. Among the leaders, BP firmed 6 to 338p and Shell 4 to 350p.

Trusts continued to make headway, with Le Valleonet improving 5 more to 41p on the announcement of the new 90 per cent-owned subsidiary which will participate in oil and gas exploration in North America. Anglo International dividend shares hardened another ½ to 43p with the Asset share 2 up at 140p; both prices were incorrect in yesterday's issue. Still benefiting from U.S. acquisition news, Mercantile House advanced 8 more to 193p for a two-day gain of 23.

Hunting Gibson provided the main feature in Shippings, rising to 107p and closing 15 higher at 105p in response to the good preliminary results.

Among Textiles, Press comment helped Lister, 3 better at 54p, but the sharp contraction in annual earnings clipped a couple of pence from Shiloh Spinners, 28p. Speculative support was again noted for Sirdar, 6 up at 88p, and for Mountleigh, 4 better at 58p.

Bats continued to benefit from the pleasing profits and rose 6 for a two-day gain of 24 at 251p.

Golds lose ground

Wednesday's rally by South African Golds proved to be short-lived as the market came under pressure in the wake of news that the Hunt brothers of Texas are to liquidate an unstated amount of silver.

This news caused a sharp fall in precious metal prices, including a decline of $17 in the bullion price to $497.50 an ounce.

Consequently, gold shares were marked down in overnight U.S. markets and fell further at the outset of trading in London. Thereafter the absence of any significant support for Golds led to prices drifting further throughout the day prior to closing at, or around, the day's lowest. The Gold Mines index registered a fall of 5.0 to 296.4.

Losses in the heavyweights ranged to ⅞ as in St. Helena, £14¼, while Randfontein gave up ⅞ to £27⅛ and President Brand ⅝ to £15⅛. Medium and cheaper-priced issues showed Doornfontein 23 lower at 553p and Blyvoor 17 down at 592p.

Financials drifted throughout the session reflecting lack of interest and the weakness of metal prices. Gold Fields and Rio Tinto-Zinc gave up 8 apiece at 464p and 360p respectively, while Charter Consolidated eased 2 to 148p. Little interest was shown in South Africans where losses of ¼ were common to "Amgold," £33¼, and GFSA, £29¼.

Australians were mixed in idle trading. The quarterly reports encouraged further interest in Central Pacific Minerals and Southern Pacific Petroleums. The latter rose 31 more to 862p and the former ¼ to £22.

Profit-taking depressed Leichardt Exploration by 25 to 235p while a belated reaction to the sharply higher third-quarter profits announced on Tuesday lifted North Broken Hill 5 to 151p.

Elsewhere, U.S. offerings prompted a fall of 20 in Hemerdon Mining and Smelting, 140p.

FINANCIAL TIMES STOCK INDICES

	May 1	Apr. 30	Apr. 29	Apr. 28	Apr. 26	Apr. 24	A year ago
Government Secs.	67.27	67.22	66.74	66.32	65.81	66.48	75.58
Fixed Interest	67.20	67.07	66.62	66.41	66.48	67.11	77.83
Industrial	443.6	440.4	436.7	432.1	427.6	434.8	555.8
Gold Mines	296.4	301.4	296.4	304.8	326.8	302.1	165.8
Ord. Div. Yield	7.79	8.00	8.07	8.16	8.23	8.09	5.27
Earnings, Yld. % (full)	18.47	18.56	19.71	19.87	20.08	10.89	14.08
P/E Ratio (net) (*)	6.33	6.30	6.16	6.11	6.05	6.11	9.12
Total bargains	18,065	18,995	18,273	16,665	19,011	17,701	—
Equity turnover £m	—	103.45	79.61	73.29	101.55	98.14	140.08
Equity bargains total	—	13,021	12,407	11,821	14,641	13,322	26,544

10 am 440.0. 11 am 437.2. Noon 441.6. 1 pm 441.8. 2 pm 442.0. 3 pm 442.1.

Latest Index 01-246 8026.

*Nil 5.84.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.86 (7/3)	127.4 (9/1/35)	40.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	476.8 (13/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.8 (29/2)	265.6 (18/3)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	May 1	Apr. 30
—Daily		
Gilt Edged	135.9	113.6
Industrials	117.5	103.7
Speculative	28.5	21.1
Totals	87.7	74.3
5-day Av'ge.		
Gilt Edged	118.9	112.1
Industrials	112.2	111.4
Speculative	34.8	35.1
Totals	81.1	78.8

MONTHLY AVERAGES OF STOCK INDICES

	April	March	February	January
Financial Times				
Government Securities	66.16	64.23	65.03	67.14
Fixed Interest	66.48	64.84	66.93	68.00
Industrial Ordinary	435.4	440.8	460.7	440.6
Gold Mines	299.9	314.3	347.2	318.2
Total Bargains	18,631	20,844	21,834	22,816
F.T.—Actuaries				
Industrial Group	222.65	224.24	230.54	219.73
500 Share	262.12	266.28	275.23	257.86
Financial Group	194.82	180.82	187.63	187.93
All-Share (750)	246.10	248.54	257.90	240.86
Red. Debs. & Loans	42.72	42.79	61.18	50.10

	High	Low
Industrial Ordinary	443.1 (16th)	426.7 (2th)
All-Share	260.17 (21st)	241.36 (8th)

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (113)

BRITISH FUNDS (31)
COMMONWEALTH & AFRICAN LOANS (4)
LOANS (3)
AMERICANS (2)
BANKS (7)
BEERS (5)
BUILDINGS (9)
DRAPERY & STORES (1)
ELECTRICALS (4)
ENGINEERING (7)
INDUSTRIALS (8)
INSURANCE (3)
LEISURE (1)
MOTORS (1)
PROPERTY (4)
SHIPPING (2)
TRUSTS (10)
OILS (10)
MINES (1)

NEW LOWS (21)

STORES (2)
Fine Art Devs. Wharf Mill
ELECTRICALS (1)
Brocks
ENGINEERING (1)
Clifford (Ch.)
FOODS (1)
Bassett (Geo.)
HOTELS (1)
Brent Walker
INDUSTRIALS (8)
Alpine Lonrim
Avon Rubber Martin-Black
Caravans Int. Norvic Secs.
Christie-Tyler Stonehill
MOTORS (3)
BSG Tate of Leeds
Henlys
NEWSPAPERS (1)
Home Counties
TRUSTS (2)
M. & G. Dual Inc. NMC Invs.
MINES (1)
Coronation

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	300	66	3	65	—	20	—	330p
BP	330	36	15	48	—	62	—	"
BP	360	22	37	36	—	48	—	"
BP	390	10	—	26	1	—	—	"
BP	420	4	4	14	—	—	—	"
Com. Union	120	21	10	27	—	31	—	133p
Cons. Gold	500	19	1	40	—	52	—	465p
Cons. Gold	550	8	1	22	—	—	—	"
Courtaulds	60	12½	28	14½	—	16½	—	69p
Courtaulds	70	6	40	7½	—	9	6	"
Courtaulds	80	2½	8	4½	15	—	—	"
Courtaulds	90	1½	15	—	—	—	—	"
GEC	390	18	13	35	4	51	—	347p
Grand Met.	130	6½	—	12	—	17	1	126p
Land Secs.	280	63	5	75	—	—	—	"
Land Secs.	300	43	10	58	—	70	—	"
Land Secs.	330	23	16	38	11	50	1	"
Land Secs.	360	11	33	22	5	32	—	"
Marks & Sp.	110	1	10	—	—	—	—	88p
Shell	360	22	107	62	1	44	—	350p
Totals			367		37		2	
		May		**August**		**November**		
Imperial Gp.	80	3	20	6	50	8	—	80p
Imperial Gp.	90	½	20	2½	—	3½	15	"
Racal Elec.	220	29	13	40	—	50	—	246p
Racal Elec.	240	15	4	22	1	37	—	"
Racal Elec.	260	6	2	17	—	23	—	"
RTZ	330	32	3	50	—	50	—	360p
RTZ	360	11	6	32	—	40	—	"
RTZ	460	1½	2	6	—	11	—	"
Totals			70		51		15	

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	67	1	21
Corpns., Dom. and Foreign Bonds	15	3	48
Industrials	258	168	967
Financial and Prop.	205	59	296
Oils	24	6	19
Plantations	1	5	17
Mines	14	66	79
Others	41	52	45
Totals	625	364	1,428

FT-ACTUARIES SHARE INDICES

These Indices are the Joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Thur., May 1, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Wed., April 30 Index No.	Tues., April 29 Index No.	Mon., April 28 Index No.	Fri., April 25 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	240.53	+0.3	18.37	6.66	6.78	239.87	237.67	235.14	233.32	283.69
2	Building Materials (28)	238.91	+0.1	17.75	6.81	6.99	238.64	235.86	231.43	231.23	265.42
3	Contracting, Construction (27)	354.80	−0.3	26.86	6.95	4.53	355.92	352.00	349.22	349.02	443.28
4	Electricals (16)	625.70	+0.4	13.29	4.03	9.81	623.31	620.70	614.49	605.34	685.92
5	Engineering Contractors (11)	284.54	−0.5	23.07	9.11	5.69	285.91	283.55	278.18	277.14	426.89
6	Mechanical Engineering (74)	161.11	+0.6	20.95	8.14	5.84	160.23	158.29	157.36	155.94	208.33
8	Metals and Metal Forming (16)	166.56	+0.3	20.74	9.77	5.83	166.01	164.08	162.81	162.26	190.51
11	CONSUMER GOODS (DURABLE) (49)	217.81	+0.8	15.10	5.87	8.12	216.17	215.28	212.76	212.61	256.58
12	Lt. Electronics, Radio, TV (14)	314.66	+0.7	11.60	4.22	11.02	312.35	310.95	306.87	307.11	347.20
13	Household Goods (14)	105.14	−0.1	28.11	10.56	4.20	105.21	105.12	103.86	103.74	177.55
14	Motors and Distributors (21)	103.89	+1.0	22.34	9.59	5.22	102.88	102.32	101.71	101.20	133.87
21	CONSUMER GOODS (NON-DURABLE) (173)	218.80	+0.7	18.63	7.15	6.53	217.34	214.32	212.74	211.05	266.16
22	Breweries (14)	276.15	+0.7	16.03	6.36	7.33	274.20	269.99	268.14	264.11	298.80
23	Wines and Spirits (5)	306.13	+0.5	17.79	6.10	6.92	304.65	303.30	302.55	297.92	346.26
24	Entertainment, Catering (17)	294.11	−0.2	19.45	7.39	6.37	294.67	290.20	287.09	282.99	374.32
25	Food Manufacturers (21)	192.26	+0.2	20.41	7.66	5.75	191.96	189.22	188.29	188.73	235.36
26	Food Retailing (13)	296.51	+0.1	13.77	4.88	8.66	296.13	292.28	290.84	288.69	325.35
32	Newspapers, Publishing (13)	399.37	+0.1	24.45	7.59	5.49	398.95	397.10	397.66	403.14	478.04
33	Packaging and Paper (15)	133.66	+1.6	24.19	8.76	5.07	131.56	130.89	129.70	128.95	152.69
34	Stores (43)	216.12	+0.9	14.08	5.37	9.27	214.09	212.72	210.78	208.81	267.73
35	Textiles (24)	125.16	+0.9	28.81	12.34	4.33	124.10	122.12	120.89	120.21	189.34
36	Tobaccos (3)	211.70	+1.5	27.51	11.60	4.12	208.61	198.66	197.10	195.02	278.76
37	Toys and Games (5)	32.19	—	46.71	15.76	2.64	32.19	32.00	32.21	32.78	89.53
41	OTHER GROUPS (98)	202.99	+0.8	17.45	7.31	6.85	201.29	199.91	198.30	195.28	231.62
42	Chemicals (16)	300.35	+0.8	20.62	7.98	5.55	298.05	295.60	294.78	289.67	325.12
43	Pharmaceutical Products (7)	189.82	+0.8	13.27	7.05	9.14	188.23	188.60	188.19	185.11	273.67
44	Office Equipment (6)	112.69	+2.1	18.96	7.36	6.09	110.41	109.26	107.72	105.63	149.22
45	Shipping (10)	508.23	+1.7	11.83	6.81	10.51	499.56	495.65	488.24	460.23	473.87
46	Miscellaneous (59)	244.59	+0.5	17.00	6.88	7.38	243.28	241.21	238.01	236.89	263.82
49	INDUSTRIAL GROUP (492)	227.36	+0.6	18.03	6.97	6.77	225.97	223.64	221.70	219.68	269.56
51	Oils (8)	729.19	+1.5	31.57	7.07	3.50	718.59	717.02	710.11	691.66	695.75
59	500 SHARE INDEX	267.15	+0.8	20.81	6.99	5.68	265.05	262.75	260.42	257.15	304.34
61	FINANCIAL GROUP (118)	201.40	+0.3	—	6.10	—	200.80	199.74	197.70	195.10	218.80
62	Banks (6)	212.37	−0.3	46.11	7.25	2.66	213.09	216.15	214.49	212.45	263.77
63	Discount Houses (10)	243.00	+3.9	—	7.89	—	233.94	228.10	227.12	226.87	268.43
64	Hire Purchase (5)	207.93	−0.4	15.80	4.78	8.22	208.73	202.81	200.97	197.95	281.47
65	Insurance (Life) (10)	182.10	+0.9	—	6.99	—	180.56	178.46	178.87	176.62	179.68
66	Insurance (Composite) (9)	130.61	+0.8	—	8.24	—	129.53	127.32	124.29	122.48	154.27
67	Insurance Brokers (16)	298.88	—	16.36	6.85	8.56	299.02	296.88	295.08	288.83	333.19
68	Merchant Banks (14)	103.39	+0.5	—	6.03	—	102.83	101.97	101.78	101.95	105.48
69	Property (45)	400.06	+0.1	3.31	2.72	42.93	399.49	395.95	392.06	383.01	370.00
70	Miscellaneous (9)	126.21	+0.6	20.72	7.45	6.14	125.42	125.27	123.73	126.61	135.09
71	Investment Trusts (109)	215.21	+0.9	—	6.15	—	213.24	210.98	209.25	210.08	244.59
81	Mining Finance (4)	182.90	−1.7	14.58	5.39	8.33	186.10	187.01	185.38	189.31	145.26
91	Overseas Traders (19)	380.20	−0.2	13.18	7.14	9.30	381.10	381.38	380.94	377.86	373.64
99	ALL-SHARE INDEX (750)	251.01	+0.6	—	6.74	—	249.48	247.59	245.39	242.76	280.28

FIXED INTEREST PRICE INDICES

	British Government	Thur., May 1	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	103.18	+0.17	—	3.45
2	5-15 years	107.66	+0.15	—	3.97
3	Over 15 years	111.49	+0.14	—	4.51
4	Irredeemables	125.44	−0.20	—	6.08
5	All stocks	107.11	+0.15	—	3.95

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Thur., May 1	Wed., April 30	Year ago (approx.)
1	Low Coupons	5 years	12.40	12.41	9.20
2		15 years	12.29	12.31	10.03
3		25 years	12.29	12.31	10.62
4	Medium Coupons	5 years	14.05	14.12	10.64
5		15 years	13.89	13.91	11.32
6		25 years	13.77	13.79	11.55
7	High Coupons	5 years	14.20	14.22	11.80
8		15 years	14.20	14.22	11.72
9		25 years	14.20	14.22	11.80
10	Irredeemables		11.57	11.59	10.52

		Thurs., May 1 Index No.	Thurs., May 1 Yield %	Wed. April 30	Tues. April 29	Mon. April 28	Fri. April 25	Thurs. April 24	Wed. April 23	Tues April 22	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	50.42	†14.65	50.42	50.16	50.15	50.09	49.96	49.94	49.93	61.76
16	Investment Trust Prefs. (15)	47.48	14.21	47.48	47.62	47.68	47.63	47.81	47.81	47.81	61.54
17	Coml. and Indl. Prefs. (20)	61.27	14.85	61.66	61.64	61.61	61.61	61.72	61.72	61.72	75.60

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Premier Cons.	5p	18	86	+ 4	87	39½
Burmah Oil	£1	15	210	+ 7	249	162
European Ferries	25p	12	130	+ 7	131	98
LASMO	25p	11	572	+25	572	337
Ultramar	25p	11	672	+18	672	412
GEC	25p	9	373	+ 2	388	326
Carless Capel	10p	7	132	+11	132	75
Imp. Cont. Gas	£1	7	794	− 6	800	593
Maple	10p	7	35	—	35	17½
RTZ	25p	7	360	− 8	485	327
Shell Transport	25p	7	350	+ 4	410	314
Beecham	25p	6	118	+ 1	134	112
BP	25p	6	338	+ 6	412	320
ICI	£1	6	370	+ 4	402	353
Turner & Newall	£1	6	111	− 3	142	98

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Apr. 21	May 3	Jul. 24	Aug. 4
May 6	May 16	Aug. 7	Aug. 18
May 19	Jun. 6	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Stocks favoured for the call included European Ferries, BP, Lonrho, Charterhall, Valor, Pacific Copper, Premier Oil, De Beers Defd., Carless Capel, Australian Consolidated Minerals, Thorn-EMI, Ultramar, Provincial Laundries, Town and City, Leslie Gold and FNFC. Puts were done in New Throgmorton Warrants, Marks and Spencer and Beecham, while Premier Oil, Elsburg and Link House.

RECENT ISSUES

EQUITIES

Issue Price p‡	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p‡	+ or −	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
86	F.P.	16/6	92	88	Amstrad Cons. Elect.	90	......	bd6.5	3.0	5.2	7.2
	F.P.	—	180	135	Hemerdon Mining 10c	140	−20	—	—	—	—
**	F.P.	7/3	89	70	Lon. Mer. Secs. Defd	87	−1	—	—	—	—
§90	F.P.	—	101	94	Morley (R.H.) 10p	98	......	b4.75	1.9	6.8	15.9
‖	Nil	—	360	280	Pict. Petroleum £1	350	......	—	—	—	—
—	F.P.	—	34	25½	Roche Plant 10p	33½	—	1.25	2.7	7.0	6.9
§10	F.P.	6/6	10¼	10	Trst. of Proe. Shrs. 5p	10	......	—	—	—	—
**	F.P.	23/5	22	18	Ward Hides. Dfd.	21	......	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
100p	F.P.	—	101	98	Edwards (L.C.) 8% Conv. Red. Cum. Pref	101	—
—	—	3/9	112	104	Globe Inv Tst 11% Conv Uns Ln '90-95	107	—
¶¶	F.P.	30/5	105	95½	Imp. Cont. Gas 8% Conv. Loan. 1985-2000	105	−1
‖	F.P.	3/6	106	100¼	Leigh Interests 10pc Conv. Uns Ln. 1984-85	104	......
	F.P.	22/8	25½	23½	Mid Kent Water 9% Red Pref. 1985	25½	......
	F.P.	30/5	100¾	100¼	Mid Southern 10% Red Prf. 1985	100¾	+¼
	Nil	—	5½pm	3pm	North Brit. Props. 8½% Cov. Uns. Ln. 1998	5pm	−½
¶¶	F.P.	2/6	22	21	Norwest Holst 11½% Red Cum Pref 1986	21	—
	F.P.	30/6	101	98½	Sutton District Water 10pc Red Pref. 1983	101	+½

"RIGHTS" OFFERS

Issue Price p‡	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing Price p‡	+ or −
136	F.P.	21/6	2/5	170	159	AGB Research	169	−1
283	F.P.	—	—	364	283	Aran Energy	364	+24
30	F.P.	1/5	12/6	130	120	Brent Chemicals	129	−1
27	Nil	—	—	3pm	1pm	First Castle Secs.	3pm	+1
60	F.P.	3/1	24/1	860	660	Hammerson Prop. A	860	+8
48	F.P.	25/4	23/8	65	58	Howard Tenens	60	......
60cts	Nil	—	—	435pm	190pm	Pancontinental	238pm	......
54	Nil	—	—	17pm	13pm	Rugby Portland Cement	16½pm	−½
180	Nil	—	—	128pm	114pm	Unitech	114pm	−6
68	F.P.	—	13/2	74	68	United Biscuits	76	−1
110	F.P.	23/4	13/6	135	125	Watmoughs	162	+2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. o Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mgrs. (a)

Allen Harvey & Ross Unit Tst. Mgrs.

Allied Hambro Group (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.

Barclays Unicorn Ltd.

Baring Brothers & Co. Ltd.

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Trust Management (a)(g)(c)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd.

Canada Life Unit Tst. Mngrs. Ltd.

Capel (James) Mngt. Ltd.

Carliol Unit Fd. Mgrs. Ltd. (a)(c)

Charities Official Invest. Fund

Chieftain Trust Managers Ltd.

Confederation Funds Mgt. Ltd.

Cosmopolitan Fund Managers

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mngrs. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Emson & Dudley Tst. Mngmt. Ltd.

Equity & Law Un. Tr. M.

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Friends' Provdt. Unit Tr. Mgrs.

Funds in Court

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a)(g)

Gibbs (Antony) Unit Tst. Mgs. Ltd.

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a)(b)(c)

Hill Samuel Unit Tst. Mgrs.

Intel.

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L. & C. Unit Trust Management Ltd.

Lawson Secs. Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd.

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Trust

M & G Group

MandLife Management Ltd.

Mayflower Management Co. Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngmt. Ltd.

Murray Johnstone U.T. Mgmt.

Mutual Unit Trust Managers

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a)(g)

Northgate Unit Trust Managers Ltd.

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (g)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

Saturn Fund Management Limited

Save & Prosper Group

Schlesinger Trust Mngrs. Ltd. (a)(z)

J. Henry Schroder Wagg & Co. Ltd.

Scottish Equitable Fnd. Mgrs. Ltd.

Sebag Unit Tst. Managers Ltd. (a)

Security Selection Ltd.

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Fund Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a)(g)

Tower Unit Trust Mngt. Ltd.

Trades Union Unit Tst. Managers

Transatlantic and Gen. Secs. (y)

Tyndall Managers Ltd.

Unit Trust Account & Mgmt. Ltd.

TSB Unit Trusts (y)

Ulster Bank (a)

Wieler Growth Fund

NOTES

[illegible]

INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Barclays Life Assur. Co. Ltd.

Beehive Life Assur. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Capital Life Assurance

Charterhouse Magna Gp.

Chieftain Assurance Funds

City of Westminster Assurance

Commercial Union Group

Confederation Life Insurance Co.

Cornhill Insurance Co. Ltd.

Credit & Commerce Insurance

Crown Life

Crusader Insurance Co. Ltd.

Eagle Star Insur/Midland Assur.

Equity & Law Life Ass. Soc. Ltd.

Equity & Law (Managed Funds) Ltd.

Family Assurance Society

Gartmore Bonds

Assicurazioni GENERALI S.p.A.

General Portfolio Life Ins. C. Ltd.

Gresham Life Ass. Soc. Ltd.

Growth & Sec. Life Ass. Soc. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Hill Samuel Life Assur. Ltd.

Imperial Life Ass. Co. of Canada

Irish Life Assurance Co. Ltd.

King & Shaxson Ltd.

Langham Life Assur. Co. Ltd.

Legal & General (Unit Assur.) Ltd.

Legal & General Prop. Fd. Mgrs. Ltd.

Life Assur. Co. of Pennsylvania

Lloyds Life Assurance

London Aberdeen & Nthn. Mtl. Assur. Ltd.

London Indemnity & Gnl. Ins. Co. Ltd.

London Life Linked Assur. Ltd.

The London & Manchester Ass. Gp.

M & G Group

Manufacturers Life Insurance Co.

Merchant Investors Assurance

NEL Pensions Ltd.

NPI Pensions Management Ltd.

New Zealand Ins. Co. (UK) Ltd.

Norwich Union Insurance Group

Phoenix Assurance Co. Ltd.

Planned Savings Group

Prop. Equity & Life Ass. Co.

Property Growth Assur. Co. Ltd.

Providence Capitol Life Ass. Co. Ltd.

Provincial Life Assurance Co. Ltd.

Prudential Pensions Limited

Reliance Mutual

Rothschild Asset Management

Royal Insurance Group

Save & Prosper Group

Schroder Life Group

Scottish Widows' Group

Skandia Life Assurance Co. Ltd.

Standard Life Assurance Company

Sun Alliance Fund Mangmt. Ltd.

Sun Alliance Linked Life Ins. Ltd.

Sun Life of Canada (UK) Ltd.

Sun Life Unit Assurance Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Arbuthnot Securities (C.I.) Limited

Bank of America International S.A.

Banque Bruxelles Lambert

Barbican Managers (Jersey) Ltd.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bishopsgate Progressive—Ldn. Agents

Bridge Management Ltd.

Britannia Tst. Mngmt. (C.I.) Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

DWS Deutsche Ges. F. Wertpapiersp

Delta Group

Deutscher Investment-Trust

Dreyfus Intercontinental Inv. Fd.

Emson & Dudley Tst. Mgt. Jrsy. Ltd.

The English Association

Eurobond Holdings N.V.

F. & C. Mgmt. Ltd. Inv. Advisers

Fidelity Mgmt. & Res. (Bda.) Ltd.

Fidelity Mgmt. Research (Jersey) Ltd.

First Viking Commodity Trusts

Fleming Japan Fund S.A.

Frankfurt Trust Investment-GmbH

Free World Fund Ltd.

G.T. Management Ltd.

Gartmore Invest. Ltd.

Hambro Pacific Fund Mgmt. Ltd.

Hambros Fd. Mgrs. (C.I.) Ltd.

Henderson Baring Group

Hill-Samuel & Co. (Guernsey) Ltd.

Hill Samuel Invest. Mgmt. Intnl.

N.V. Interbeheer

International Pacific Inv. Mngt. Ltd.

J.E.T. Managers (Jersey) Ltd.

Jardine Fleming & Co. Ltd.

Leopold Joseph & Sons (Guernsey)

Kemp-Gee Management Jersey Ltd.

Keyser Ullmann Ltd.

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

60	56½	Agric. Mt. 5pc '59-89	59½	......	8.44	12.98
78½	73½	Alcan 10½pc '89-94	78½	+½	13.80	14.60
28½	25	Met. Wtr. 3pc 'B'	26¼	......	11.42	13.43
102	89	U.S.M.C. 9pc 1982	94	......	10.44	—
90	85½	Do. without Warrants	90	+½	10.46	16.50

LOANS—Continued

Financial

[illegible]

FOREIGN BONDS & RAILS

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AMERICANS

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CANADIANS

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ENGINEERING—Continued

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Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

235	130	Messina R0.50	394	—	m Q10c	ϕ	3.0

Miscellaneous

160	78½	Anglo-Dominion	144	−3	—	—	—
97	58	Barymin	70	—	—	—	—
16	12	Burma Mines 17½p	16	—	0.62	ϕ	5.6
502	330	Cons. Murch. 10c.	330	—	NQ100c	1.8	17.3
585	325	Northgate C$1	350	—	—	—	—
485	327	R.T.Z.	360	−8	15.0	3.3	6.1
33	16	Robert Mines	26	—	—	—	—
58	27	Sabina Inds. C$1	35	+2	—	—	—
650	425	Tara Exptn. $1	445	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	28	+1	**IRISH**		
Bertam	10	—	Conv. 9% '80/82	£96½	+⅛
Bdg'wtr. Est. 50p	389	—	Nat. 9¾% 84/89	£73¾	+⅛
Clover Croft	60	—	Fin. 13% 97/02	£92	—
Craig & Rose £1	£10½	—	Alliance Gas	58	—
Fife Forge	34	—	Arnott	360	—
Finlay Pkg. 5p	18xd	—	Carroll (P.J.)	92	—
Graig Ship. £1	£14	+½	Clondalkin	104xd	−1
Higsons Brew	77	—	Concrete Prods.	75	—
Holt (Jos) 25p	252	—	Helton (Hldgs.)	32	—
I.O.M. Stm. £1	175	—	Ins. Corp.	[illegible]	—
Pearce (C. H.)	400	+20	Irish Ropes	60	—
Peel Mills	40	—	Jacob	31xd	+1
Sheff. Refrshmt	100	—	T.M.G.	130	—
Sindall (Wm.)	135	—	Unidare	102	—

OPTIONS

3-month Call Rates

Industrials		I.C.I.	32	Utd. Drapery	9
A. Brew	8	"Imps"	7	Vickers	14
BOC Intl.	6	I.C.L.	45	Woolworths	6½
B.S.R.	5	Inveresk	5		
Babcock	12	Ladbroke	15	**Property**	
Barclays Bank	30	Legal & Gen.	14	Brit. Land	7
Beecham	13	Lex Service	10	Cap. Counties	9
Blue Circle	25	Lloyds Bank	24	Land Secs.	25
Boots	17	"Lots"	3½	MEPC	17
Bowaters	16	London Brick	6	Peachey	13
B.A.T.	25	Lucas Inds.	20	Samuel Props.	12
Brown (J.)	7	"Mams"	14	Town & City	2
Burton 'A'	22	Mrks. & Spncr.	9		
Cadburys	5½	Midland Bank	30	**Oils**	
Courtaulds	8	N.E.I.	5	Brit. Petroleum	38
Debenhams	8	Nat. West. Bank	32	Burmah Oil	20
Distillers	21	P & O Dfd.	9	Charterhall	12
Dunlop	5½	Plessey	16	KCA	11
Eagle Star	14	Racal Elect.	20	Premier	12
F.N.F.C.	2½	R.H.M.	4½	Shell	35
Gen. Accident	21	Rank Org.	18	Tricentrol	35
Gen. Electric	30	Reed Intnl.	17	Ultramar	50
Glaxo	40	Sears	5½		
Grand Met.	12	Tesco	7	**Mines**	
G.U.S. 'A'	30	Thorn	25	Charter Cons.	28
Guardian	23	Trust Houses	14	Cons. Gold	32
G.K.N.	22	Tube Invest.	27	Lonrho	12
Hawker Sidd	16	Unilever	40	Rio T. Zinc	35
House of Fraser	12	U.D.T.	6		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 40

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security.

FINANCIAL TIMES

Friday May 2 1980

Fears grow over Libyan killings

BY ANTHONY McDERMOTT

THE police forces of Libya's major trading partners have been put on the alert for a possible new wave of assassinations of opponents to the regime of Colonel Muammar Gadaffy, following the murder of two Libyans in London in the last three weeks.

The British Government is now so worried that it sent Sir Antony Acland, a Deputy Under-Secretary of State at the Foreign Office, for confidential talks in Tripoli earlier this week. He saw Major Abdel-Salam Jalloud, Gaddafy's right hand man.

Sir Antony is thought to have been told that as long as there are Libyan "dissidents" in Britain there will be diplomatic problems.

Britain's concern is shared by the U.S., West Germany, France and Italy, all of whom have declared what amounts to a state of alert in a bid to foil further assassinations. The largest Libyan communities abroad are in these countries.

The two victims in London were Mr. Muhammad Ramadan, a journalist, and Mr. Mahmoud Nafas, a lawyer, both of whom were known to be outspoken critics of Col. Gadaffy.

Mrs. Margaret Thatcher, the Prime Minister, is being kept informed of developments. It is a particular worry that any determined attempt to prevent Libyan assassination squads from operating, or indeed even the charging of those held in connection with the two murders in London might provoke a backlash in Libya, where 5,000 Britons are working.

Part of Sir Anthony's brief in Tripoli would have been to cool tempers and impress on the Libyan government that Britain cannot be held responsible for the political activities of Libyan citizens in the UK.

For several years, a major strain between London and Tripoli had been Libyan support for the IRA. But towards the end of 1977, Col. Gadaffy disclosed that Libya's support was ending, and this has apparently been the case.

But some years ago, Libya launched a previous wave of attacks on opponents.

The first hint that Col. Gadaffy was considering a renewed wave of assassinations came in February. Addressing revolutionary committees he said there would be "physical elimination" of dissidents abroad. On April 27, in a speech to the Military College in Tripoli, he urged Libyans to return home. "Either these people return," he said, "or they are doomed wherever they might be. Let all be warned. And those who do not take heed of this warning have only themselves to blame."

Earlier this year the embassies of both France and the U.S. were attacked by Libyan mobs. On April 3, the U.S. expelled two Libyan diplomats for mounting a campaign to intimidate anti-Gadaffy dissidents.

Cabinet to review trade ban legislation

By Elinor Goodman

THE GOVERNMENT may introduce legislation to impose sanctions on trade with Iran the week after next.

Ministers will decide next week whether additional powers are necessary or whether trade can be stopped under existing legislation.

The question of compensation for companies affected by sanctions will also be considered.

Britain, with its EEC partners, is committed in principle to introducing Sanctions by May 17, but the Government's plans will not be finalised until after a meeting of Community officials on Monday.

Ministers believe the export of most British-made goods can be banned under the legislation which banned trade with Rhodesia, although further enabling legislation may be necessary to deal with long-term contracts.

The Government was hoping for Labour's co-operation in rushing through such a Bill. Though Mr. James Callaghan, leader of the Opposition, has so far maintained his support of the Government's line, he is coming under increasing pressure from within the Shadow Cabinet to disassociate the party from sanctions.

Wednesday's meeting of the Shadow Cabinet avoided a split by postponing a decision.

Many Labour MPs would vote against sanctions. Some Conservatives also have serious reservations, but the party whips believe that the great majority could be persuaded to fall into line by an appeal to their nationalism.

Simon Henderson writes from Tehran: Talbot UK, which exports car kits to Iran for the assembly there of the Hillman Hunter (known as the Peykan in Iran) has been increasing its shipments. It is estimated that stocks there will soon amount to five times the normal month's supply.

Talbot's contract is one of the principal British deals with Iran, and is expected to be affected by the proposed sanctions.

About 1,400 jobs at the company's Stoke engine plant at Coventry, which employs 4,000 people, are thought to depend on continuation of the contract.

There has been no suggestion that production of kits is being stepped up to beat the May 17 deadline.

Consumer spending equals record of last summer

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CONSUMER spending rose sharply in the first three months to equal last summers' record level. But expenditure is generally expected to start declining as real incomes are squeezed.

Central Statistical Office figures published yesterday show the volume of consumer expenditure was about £17.8bn (at 1975 prices and seasonally adjusted).

This was roughly 2 per cent higher than in the previous three months. It was the same as the peak figure in April to June last year, when the spending spree was associated with the rise in value added tax.

The buoyant level of first-quarter spending partly reflected the continuing gap between growth of average earnings and retail prices. The proportion of income saved may have dropped from the record figure at the end of last year.

Demand may also have been stimulated by longer than normal winter sales, as retailers cut prices to reduce excessive stock levels.

The figures imply domestic demand has been stronger than expected, but there is already suspicion that spending was starting to tail off in March. This is suggested by the 1.1 per cent drop in retail sales last month, reported earlier this week.

CONSUMER SPENDING
At constant 1975 prices, seasonally adjusted, £bn

1978	1st quarter	16.4
	2nd quarter	16.5
	3rd quarter	16.9
	4th quarter	16.9
1979	1st quarter	17.1
	2nd quarter	17.8
	3rd quarter	17.1
	4th quarter	17.4
1980	1st quarter*	17.8

* First preliminary estimate.
Source: Central Statistical Office

Most forecasters, including the Treasury, expect spending to decline during the second half of the year. This reflects the view that price rises will catch up with the rate of earnings growth. Moreover, the real tax burden will rise slightly in the current financial year.

But over 1980 as a whole, spending may show little change, compared with last year, and could even rise slightly.

The rise in first-quarter spending was not matched by any increase in industrial output, partly because of a probable rundown in stocks and also because of a further sharp rise in car imports.

Officials said yesterday the most significant factor in the first-quarter increase was higher spending on wines and spirits, in anticipation of the price rises announced in the Budget on March 26. This may have added as much as £200m to the total, in constant 1975 prices.

Expenditure on vehicles was buoyant, reflected in car registration figures and BL's sales campaign.

Retail sales as a whole rose by 1½ per cent in volume in the first quarter, with the increase concentrated in January and February.

The figures are a first preliminary estimate and are based on incomplete data. They may differ from later figures by about £100m (at 1975 prices) or ½ per cent.

Mac Fisheries to leave retailing, Page 10

Schmidt confirms visit to Moscow

By Roger Boyes in Bonn

CHANCELLOR Helmut Schmidt of West Germany has publicly confirmed for the first time that he will visit the Soviet Union soon for talks with the Soviet leadership. He will be the first Western head of government to visit Moscow since the invasion of Afghanistan last December.

During the visit, expected to take place in June, Herr Schmidt said, he would urge the Kremlin "to begin taking troops out of Afghanistan, where they have no right to be."

The Chancellor, speaking to a trade union May Day rally, said the invasion of Afghanistan was as much a threat to world peace as the Iranian crisis—and made clear that he would drive this point home during his Moscow talks.

The Soviet Union last month suggested to Herr Schmidt that he should go to Moscow in the early summer for discussions with Mr. Brezhnev, the President and Communist Party chief.

Herr Schmidt has been keen to take up the invitation, believing that a line must be kept open to the Russians at a time of East-West tension. But an element of uncertainty was injected by Bonn's decision to boycott the Olympic Games.

This followed last week by a particularly sharp attack on the Bonn Government in a Novosti press agency article, had raised fears that Moscow might retract the invitation or at least delay the visit until after the Moscow Games.

The Chancellor's announcement of his acceptance yesterday coincided with the German decision, in common with most other Western diplomatic missions in Moscow, not to attend the May Day parade in Red Square.

Herr Schmidt has been consulting Bonn's allies about the advisability of his trip and appears to have received a positive response.

Provincial newspaper employers' setback in lockout campaign

BY PAULINE CLARK, LABOUR STAFF

THE PROVINCIAL newspaper employers' national lockout campaign of print craftsmen suffered yesterday when the Birmingham Post and Mail became the first major group to reinstate suspended National Graphical Association members.

However, the Newspaper Society, representing 260 provincial newspaper employers involved in a pay dispute with the NGA, denied there was any evidence of resistance collapsing.

Fewer than 10 per cent of its members, it said, had failed to respond to the call for a national lockout from Monday in the face of six weeks of selective industrial action by NGA members.

Commercial print company employers joined the Newspaper Society yesterday in agreeing to continue their campaign of resistance to the pay demands of the NGA. At a special meeting yesterday they made clear that they were not prepared to withdraw the call for a national lockout of all provincial members of the NGA.

Management of the Birmingham newspaper group, believed to have opposed the suspension policy from the outset, said both parties had accepted that talks would be held next week with a national union officer.

One of the group's competitors is the Wolverhampton Express and Star newspaper—which has continued to produce a special edition in spite of picketing outside its offices by NGA members — where 33 arrests have been made since Monday.

The Newspaper Society said only 24 of its 260 members had failed to support the national lockout which has left most of Britain without provincial newspapers.

The picture has been less clear in the commercial print industry where the NGA claims that 75 per cent of its members have not been locked out.

The British Printing Industries Federation has claimed a "satisfactory" response to its call for concerted action, although the union claims that "a general return to work is continuing" where companies have reinstated even if selective industrial action goes on. Others have been exempted after accepting the union's pay demand, the NGA said.

Sympathetic industrial action by Fleet Street members of the NGA is expected to continue to affect national papers with provincial newspaper interests. The Newspaper Publishers' Association, representing Fleet Street employers, said that its legal advisers had given little hope of success if an attempt were made by the association to seek an injunction

Weather

UK TODAY

SHOWERS in South, dry with sunny periods in North.

N. Wales, N.W. England, Lake District, I. o. Man
Dry, sunny intervals. Max. 16C (61F).

Rest of England
Cloudy, scattered showers. Max. 17C (63F).

Scotland, Orkney, Shetland, N. Ireland
Dry, sunny periods. Max. 15C (59F).

Outlook: Little change.

WORLDWIDE

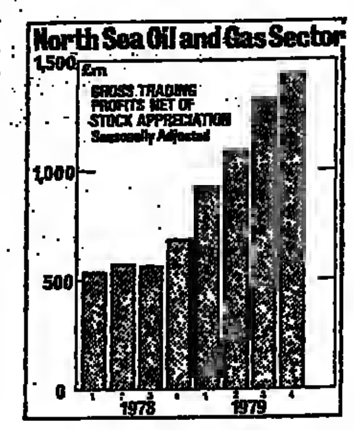
		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	14	57	Lisbon	C	15	59
Algiers	F	19	66	Locarno	S	19	66
Amsdm.	S	18	64	London	F	11	51
Athens	F	22	72	Luxmbg.	S	17	63
Bahrain	C	27	81	Luxor	S	36	97
Barclna.	S	15	59	Madrid	C	15	59
Beirut	F	21	70	Majorca	S	19	66
Belfast	F	12	54	Malaga	F	21	70
Belgrd.	S	18	64	Malta	F	18	64
Berlin	S	17	63	Mchstr.	C	11	52
Biarritz	C	14	57	Melbne.	C	12	54
Bmghm	C	9	48	Milan	C	17	63
Blackp'l	C	12	54	M'ntreal	S	14	57
Bordx.	F	16	61	Moscow	C	22	72
Boulgn.	S	14	57	Munich	F	16	61
Bristol	C	11	52	Nairobi	C	22	72
Brussels	S	18	64	Naples	F	13	55
Budpst.	S	20	68	Nwcstl.	C	7	45
B. Aires	S	14	57	N. York	C	14	57
Cairo	S	28	82	Nice	R	16	61
Cardiff	C	11	52	Nicosia	F	19	66
Casbca.	F	19	66	Oporto	C	15	59
Cape T	S	23	73	Oslo	F	15	59
Chicago	C	13	55	Paris	F	20	68
Cologne	F	20	68	Perth	C	28	82
Cpnhgn.	C	10	50	Prague	F	16	61
Corfu	S	18	66	Reykjvk.	C	9	48
Dublin	C	9	48	Rhodes	F	19	66
Dbrvnk.		21	70	Rio J'o	S	27	81
Ednbgh.	C	10	50	Rome	F	16	61
Faro	F	18	64	Salzb'rg	F	18	64
Florence	C	15	59	Singapr.	S	30	86
Frankf't	F	18	64	Stckhm.	F	10	50
Funchal	C	18	64	Strasb'g	F	18	64
Geneva	C	13	55	Sydney	S	18	64
Gibrltr.	F	20	68	Tangier	F	18	64
Glasgow	C	10	50	Tehran	S	20	68
G'nsey	C	9	48	Tel Aviv	F	21	70
Helsinki	C	8	46	Tenerife	F	16	61
H. Kong	C	22	72	Tokyo	S	19	66
Innsbr'k	F	18	64	Toronto	C	12	54
Invrnss.	C	9	48	Tunis	C	18	64
I. o. Man	S	11	52	Valencia	C	20	68
Istanbul	S	21	70	Venice	C	17	63
Jersey	R	9	48	Vienna	S	18	64
Jo'burg	S	20	65	Warsaw	C	15	59
L. Plms.	C	20	68	Zurich	C	16	61

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Seconds out for Seventh round

Index rose 2.8 to 443.2



Stock market expectations of a better North Sea deal for oil companies in general and independent UK enterprises in particular were confirmed, more or less, in the announcement of the seventh licensing round yesterday. Few of the ambiguities inherent in a discretionary system have been cleared up, but it seems that BNOC's role at the exploratory stage has been reduced, while some of the most promising areas of the North Sea will be made available under the self-selection system for 20 blocks. But whether these choice areas will become the happy hunting grounds of the independents is more questionable.

The Government has put a £5m price tag on the selected blocks. In itself this is probably not a major barrier to the UK independents, who will tend to be smaller members of the consortia. But, since the premium can be offset against UK tax, there is a large bias in favour of the majors already producing in the North Sea. At the most extreme, offsets against PRT and corporation tax could reduce the effective premium to only £750,000. Among the companies to benefit from this will be BP, now paying tax on Forties production, and Thomson, paying on Piper and Claymore.

LASMO, which is unlikely to form a consortium with Tricentrol and Ultramar, is fairly well placed since tax payments on Ninian production will begin in a couple of years and liabilities are already being recorded in the p and l account. Other independents could find themselves competing for the fairly limited number of designated blocks, mainly in the Moray Firth, that are not in the deep water off the Shetlands or the less promising English Channel reaches.

Meanwhile, the industry will waiting for further clarification of BNOC's role. The Government said yesterday that the Corporation would retain its 51 per cent option on production but be allowed to sit on operating committees only when oil liftings are discussed. But liftings are central to most operating decisions.

Pearson/Fairey

Pearson's successful £24m bid for Fairey underlines the point that businesses these days are worth more to other businesses with cash to spare than they are to private shareholders. Fairey's net assets are £21.6m, it has little debt, and its profits before tax amounted to £5.1m in 1979. Given its apparently sound prospects and positive current cost earnings, it could have been valued at, say, £17m or so on the stock market. Like the Hambros consortium, Pearson has been willing to pay more for what seems to amount to a portfolio type of investment. Pearson's existing engineering interests are small, and Fairey is to be kept intact as a separate entity. It only goes to show why so few new companies come to the stock market, and why the demerger enthusiasts face a hard slog.

Wimpey

George Wimpey has beaten its forecast of roughly unchanged second half operating profits — there was actually a £3m improvement to £47.9m — but the achievement counted for little in the stock market yesterday, where the shares eased 3p to 69p. What the analysts had apparently not reckoned with was a sharply higher interest charge, which left pre-tax profits £9.9m lower for the year at £47.3m, and the continued meanness over the dividend, which is covered around 7 times. The yield is 4.8 per cent.

Overall, 1979 brought buoyant turnover — up 18 per cent to £1bn including a share of the work of associates — but operating margins never recovered from a terrible first quarter and finished down from 7.4 to 6 per cent. In mitigation, Wimpey points out that bad weather delays meant it was not able to bring in all the originally scheduled profits on contract completions. On the housing side, too, it has been opening a number of new sites where because of the group's conservative accounting policies profits are slow to come through. Meantime an increased investment in land and work in progress has brought higher financing costs, although on the other hand the corresponding extra stock relief has cushioned the bottom line.

The returns from overseas work — amounting to some £350m of turnover last year — are unclear. At home, demand for private houses is holding up surprisingly well, and output is continuing at the 11,000 annual rate of 1979. But Wimpey now says it would be imprudent to forecast its 1980 results, although last September it was willing to project that they would be "satisfactory."

Hoechst

The first of the German chemical majors to report first quarter figures for 1980 confirms the picture already drawn by the American companies of a very firm European chemical market: Hoechst was working at 85 per cent capacity in the first quarter, three percentage points up on the 1979 average rate, and the parent company's pre-tax profits rose from DM 193m to DM 314m.

In spite of increasing signs of weakness in its various markets, Hoechst feels able to forecast a reasonable result for 1980. Partly this is because it has got off to such a good start that even with a decline from now on profits could still be virtually maintained for the year. But German domestic demand —as the recent tightening of credit policy suggested—is still steaming ahead, giving Hoechst an advantage that ICI does not enjoy in its domestic market. Hoechst is expecting volume sales growth of 3 per cent in 1980.

This issue, together with a substantial loan stock conversion, will bring some dilution of earnings this year. At Wednesday's price of DM 116, the shares yield 9½ per cent to the domestic investor.

— M/C No. 40 S/S½ TKH —

Hoechst implicitly defends its decision to pay a dividend of only DM 7 a share rather than the DM 8 proposed by BASF — both companies paid DM 6 in respect of 1978 — by pointing to the need for relatively high retentions in strong years. The proposed dividend still represents three-quarters of parent company net income — or, to look at it another way, it absorbs the bulk of the recent 1-for-12 rights issue.

Continued from Page 1

Pearson wins bid battle for Fairey

intends to keep Fairey intact with a separate board and its own identity in the group, with the Fairey name being maintained.

The NEB, which bought Fairey from the receiver two years ago for £18m, said the decision to sell to Doulton was taken after talks with the management and workforce of Fairey. "The Doulton deal was more attractive in terms of the taxpayer," it said.

Mr. Angus Murray, who is to continue as chairman, was very pleased with the outcome. His main concern had been that Fairey would be sold to a company which would then break it up.

Doulton Engineering (which in 1979 lifted profits from £1.65m to £2.21m) is involved in mechanical and electrical engineering and making high-tension insulators and industrial ceramics.

Fairey's interests include nuclear components for Advanced Gas-cooled Reactor stations and hydraulic equipment for the Tornado aircraft, but its main money-spinner is the manufacture of military equipment, particularly bridges for British and foreign armies. In 1978 Fairey showed a profit before tax of £5.2m, but in 1979 profits slipped to £5.1m.

In S. Pearson, Fairey is joining a diverse group including Pearson Longman (parent company of the Financial Times), Lazard Brothers, the merchant bank, Tussaud's, and substantial U.S. investments. Profits before tax of S. Pearson and Son increased from £51.43m to £53.73m in 1979.

The deal, which is subject to Government approval, is expected to be completed by the middle of the month.

Continued from Page 1

Row over steel chiefs 'transfer fee'

and then said: "I am happy, yes, because they were what was needed to get the man."

There will also be controversy over Mr. MacGregor's age and the fact that he is being allowed to keep four key posts in international companies and financial institutions, which may more than double his £48,500-a-year official salary as BSC chairman.

The companies and institutions are Amax and its subsidiary Alumax, the Brunswick Corporation in the U.S., and Atlantic Assets Trust in Edinburgh.

He will give up the non-executive deputy chairmanship of BL in the UK and of Singer in the U.S., among other companies.

The Lazard Frères deal was agreed after three months of tough bargaining.

Christian Tyler, Labour Editor writes: The main steel union, the Iron and Steel Trades Confederation, called on the new chairman last night to replace Mr. Bob Scholey, BSC's chief executive so that it could work with Mr. MacGregor "in a way we were not able to do with the BSC's present leadership."

Union officials expressed amazement at the financial arrangement made for the new chairman.

The ISTC went on to say: "The degree of co-operation Mr. MacGregor receives will depend on the degree to which he departs from the present discredited leadership's bankrupt policies."

A "fresh start" should include not only replacing the chief executive, but a re-think of the closure plans, "a much more vigorous sales policy, and the same State support which our Continental rivals receive."

The union would work with anyone who fought for a strong, expanding industry.

David Lascelles in New York writes: Lazard Freres is a small but highly prestigious New York investment bank which prides itself on its finely-honed skills in the field of corporate finance. Despite the name, it has only informal connection with other Lazard banks in the world.

Being a partnership, it publishes few details of its finances or the earnings of its partners.

In fact, it cultivates an air of secrecy, and comes into public view when one of the intricate corporate deals in which it specialises comes to fruition.